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FBIS-LAT-94-228 *28 November 1994*

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Mercosur, EU Reaffirm Decision on Free Trade Zone

PY2711230394 Buenos Aires TELAM in Spanish 1845 GMT 24 Nov 94

[Article by special correspondent Fabian Quinta]

[FBIS Translated Text] Brussels, 24 Nov (TELAM)—The European Union (EU) and Mercosur [Common Market of the South] countries today reaffirmed here their decision to create a free trade zone between the two economic blocs.

The total economic production of the two regions surpasses $7 billion per year.

The two blocs reaffirmed their decision during a ceremony held at noon in Brussels (0800 in Argentina). EU President Jacques Delors and the foreign ministers of Argentina, Brazil, Uruguay, and Paraguay, the Mercosur member countries, were present at the ceremony.

During the ceremony, which was held behind closed doors as only protocol photographs were allowed, Delors confirmed to the representatives from the Mercosur nations the course of action designed by the EU to establish a free trade zone between the two blocs.

A document released today for the press by EU diplomats emphasizes that during the first six months of 1995, the European Commission, the EU's executive organ, will begin talks with a similar Mercosur organization.

During this period the EU also hopes to enhance its cooperation with Mercosur, reaching high technology sectors, while the documents to effectively initiate economic integration are being prepared.

Diego Guelar, Argentine ambassador to the EU, explained: "For Mercosur, this model involves the establishment of an organization that will handle Mercosur's foreign trade and will conduct negotiations with the EU."

The establishment of a supranational institution might be resolved in early December, during a meeting among the four economy ministers in Brazil.

In remarks to TELAM, Guelar emphasized that the negotiations between the two blocs "will not be conducted overnight."

As an example, Guelar mentioned agriculture, "an area in which it will take a long time to establish free trade due to European protectionism."

Despite their protectionist tariff policies, the EU countries still represent the principal market for our national production, Guelar said.

The project approved by the European Commission points out that the "flexible and progressive" establishment "of a free trade zone in the industrial field" represents a key element of the interregional association.

The project also proposes "a progressive and reciprocal deregulation of agricultural trade, taking into account the sensitiveness of some products."

Before arriving in Brussels, Uruguayan Foreign Minister Sergio Abreu explained: "The Mercosur countries are willing to negotiate, on an equal basis, on all foreign trade issues."

In remarks to Uruguayan journalists, the foreign minister admitted that there are many pressures in Europe to prevent an agreement with Mercosur from representing an increased opening in trading agricultural products.

According to official estimates, the EU ranks second in the global economy with $6.744 billion GDP in 1993, while Mercosur ranks fourth with $642 million.

Foreign Ministers View Talks With EU

PY2511181194 Buenos Aires TELAM in Spanish 2047 GMT 24 Nov 94

[FBIS Translated Excerpt] Brussels, 24 Nov (TELAM)—Mercosur [Common Market of the South] member countries—Argentina, Brasil, Uruguay and Paraguay—today stated in Brussels that the rapprochement between the EU and Mercosur is on the right path.

Foreign Ministers Guido Di Tella (Argentina), Celso Amorim (Brazil), Luis Maria Ramirez Boettner (Paraguay), and Sergio Abreu (Uruguay) attended a working luncheon with EU European Commission President Jacques Delors.

During the luncheon, the foreign ministers and Delors discussed the development of future ties between the two regional blocs.

After the luncheon, Argentina's Di Tella told the local press that Mercosur "is a reality that represents 200 million people, that has increased trade fourfold, and that continues to develop very rapidly."

Asked what benefits Mercosur hopes to obtain from its association with the EU, Di Tella said that an immediate result of these ties will be an increase in trade.

He said: "We are not expecting magic results. We will achieve them gradually."

Brazilian Foreign Minister Amorim stated that negotiations leading to a EU-Mercosur association, with the prospect of establishing a free trade zone, should be undertaken very shortly.

Amorim said that for the first time in history, the EU will undertake "negotiations to achieve an association agreement with countries outside the European continent."

The summit of EU presidents and heads of state and government, to be held in Essen on 9 and 10 December under the six-month chairmanship of Germany, will approve the future European strategy for negotiations with Mercosur.

According to European sources, the negotiations are scheduled to start in February 1995 when the new European Commission administration headed by Luxembourg's Jacques Santer will assume office. [passage omitted]

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Andean Nations To Push Trade, Drug War at Summit

PA2511181494 Madrid EFE in Spanish 0752 GMT 25 Nov 94

[FBIS Translated Text] Quito, 25 Nov (EFE)—A continent-wide free trade agreement and the struggle against drug trafficking will be the priority issues the Andean Pact countries—Colombia, Venezuela, Peru, Ecuador, and Bolivia—will present at the Summit of the Americas to be held in Miami on 9-11 December.

The Andean Pact will not present a unified proposal as a regional organization, because Washington is insisting on having bilateral contacts with the rest of the countries in the Americas. However, the governments of these five countries have been holding frequent contacts to unite their thoughts and to seek a consensus among themselves.

Andean presidents, ministers, and officials involved with the summit have agreed that the meeting called by U.S. President Bill Clinton must end with "concrete" agreements to advance a continent-wide free trade zone.

Bolivian President Gonzalo Sanchez de Lozada has asserted that "a market that includes all of the countries in the hemisphere" is the only way his country and the rest of Latin America will eliminate underdevelopment.

Colombian Foreign Minister Rodrigo Pardo has announced that his president, Ernesto Samper, will present the need to unite all regional agreements—such as the Andean Pact, MERCOSUR [Common Market of the South], and NAFTA—into a single "continent-wide free trade zone." Pardo warned that free trade is being threatened by "a kind of ghost roving the world these days, which comes in the form of new nontariff protectionism." This protectionism, according to Pardo, is "disguised under different names," such as environmental protection or the defense of human rights, but "in practice, it makes free trade more difficult."

Ecuadoran Foreign Minister Galo Leoro told EFE that his government has recommended that the draft Declaration of Principles written by the U.S. State Department include greater emphasis on free trade. Leoro also expects that the declaration "can include some type of financial support for subsequent programs."

His Venezuelan colleague, Miguel Angel Burelli, said one of his government's priorities is "the convergence of the integration process that currently exists in America."

The Peruvian Foreign Ministry also has indicated that President Alberto Fujimori's government believes the summit's priority should be continent-wide trade integration, which should go into effect between 2001 and 2015.

Several Andean leaders, such as Ecuadoran President Sixto Duran-Ballen, have expressed concern over the fact that the United States has shown little interest in continent-wide trade liberalization, as can been seen in the initial drafts of the summit's agenda and declaration. Ecuadoran Ambassador to Washington Edgar Teran warned that if no advances are made in this area, the Miami summit could be very limited and end up as "nothing more than an occasion to take photographs."

Former Colombian President Belisario Betancur has said that no one should expect "spectacular results" from the summit, because the host president "is presenting a weakened position after his recent electoral defeat."

Even more severe was former Ecuadoran Foreign Minister Diego Cordovez, who proposed that the summit be postponed to prevent Latin America from becoming "another victim" of Clinton's loss to the Republicans in the recent U.S. elections.

In addition to free trade, the Andean countries are interested in discussing at the Miami meeting means to continue waging the difficult war against drug trafficking. Colombia will propose joint international action against the "laundering" or "white-washing" of profits stemming from this crime. "White-washing," according to Foreign Minister Pardo, "is an activity that continues to develop more or less freely—much more freely than we would like it to—and it will continue to support all areas of drug trafficking if it remains unbridled."

If in Miami a continental agreement on "money laundering" is achieved, it will be "a step in the right direction to start to diminish the immensity of the crime of drug trafficking," the Colombian minister asserted.

After an meeting with Leoro in Quito on Thursday, Pardo announced that Ecuador "views this initiative with approval," adding that it is also applauded by other countries on the continent.

Bolivian Vice President Victor Hugo Cardenas stated in Lima recently that Peru, Colombia, and Bolivia—countries in which the coca plant is grown and cocaine is processed—will present a joint position at the summit to declare the struggle against drug trafficking the responsibility of the entire world, and not just the responsibility of drug-producing countries.

A spokesman for the Peruvian Foreign Ministry confirmed to EFE that his government wants to discuss drug trafficking activities as a priority issue at the Miami meeting, insisting that drug-consuming countries should share the efforts and cost of this war. The Peruvian Government spokesman said this position is backed by Colombia and Bolivia.

The five Andean nations want the summit to take a firm position on the defense of democracy and human rights, social and human development, the struggle against poverty, a new alliance of the American countries now that the Cold War has been overcome, and cooperation programs in many spheres.

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Central America To Ask for Preferential Trade Status

PA2611041094 Mexico City NOTIMEX in Spanish 2215 GMT 25 Nov 94

[FBIS Translated Text] San Salvador, 25 Nov (NOTIMEX)—The Central American foreign ministers decided today that their countries will ask for preferential treatment in gaining access to the North American markets at the Miami summit.

The Council of Central American Foreign Ministers concluded a two-day meeting in San Salvador during which it analyzed the proposal that the Central American presidents will present at the summit in Miami from 9 to 11 December.

Costa Rican Foreign Minister Fernando Naranjo said at the conclusion of the meeting that "Central America is asking for and wants preferential treatment in North American markets."

Naranjo explained that this will be the region's main proposal at the meeting of the continent's foreign ministers this coming Monday and Tuesday in Washington, and it will be presented by the chiefs of state at the Summit of the Americas.

The Costa Rican minister, who acted as a spokesman for the meeting, affirmed that Central America is making major efforts to guarantee its social development and to consolidate democracy and regional peace, therefore it believes it is fair that it receive preferential trade treatment.

Naranjo said that the region views the Miami Summit with optimism because all countries, those to the north and those to the south, will benefit.

He said: "Preparations for the Miami summit have been under way for months; it is not just a date. The results of the meeting will be implemented and the outcome seen in a few years."

Naranjo said Central America will go to the meeting united and may reap big benefits in terms of the economy, cooperation, and the environment.

The Costa Rican official said: "We are going there with a great deal of optimism. Everybody must be a winner there."

Nicaraguan Foreign Minister Ernesto Leal added that the region has a market of 30 million people, and free access of their products to the northern markets would generate "investment, development, and democracy."

Naranjo said there are several options for Central America to enter NAFTA, such as a temporary registration with fixed periods during which each country must adapt its economy for permanent membership. "That is one way, but there are alternatives that can be analyzed," he explained.

The Council of Ministers has reported that it intends to sign an agreement with the United States within the framework of the sustainable development strategy approved by the presidents of the region in past regional summits.

The foreign minister reaffirmed that the countries of the isthmus are interested in making the United States their main partner in the sustainable development program.

The ministers also agreed to ask the EC to maintain and expand preferential customs for Central American products.

In December, the EC Council of Ministers will discuss whether to extend or cancel preferential trade with Central America.

The Central American ministers meeting was also attended by Honduran Foreign Secretary Ernesto Paz Aguilar, Guatemalan Deputy Foreign Minister Carlos Ramiro Martinez, and Panama's acting Deputy Foreign Minister Victor Cucalon.

SELA Urges Members To Seek NAFTA Expansion

PA2711030894 Madrid EFE in Spanish 1755 GMT 26 Nov 94

[FBIS Translated Text] Caracas, 26 Nov (EFE)—The Latin American Economic System (SELA) called for flexible, continental cooperation that takes the region's economic and social disparities into account during the Summit of the Americas. The summit is scheduled to take place from 9 to 11 December in Miami.

According to SELA, the continental summit offers a "valuable opportunity" for the region to send two messages: that there is a need for overall development in order for economic reform to continue, and that American free trade should not be at the expense of the multilateral system or the regional integration process.

A report issued by the organization, which has 27 member countries, states that the Miami summit should produce at least four specific results in the area of trade, one of which should be the expansion of NAFTA as a path toward continental free trade.

SELA also urged its members to seek a swifter timetable for commercial liberalization than that reached at the Asia-Pacific Economic Cooperation forum meeting, and new methods for negotiation and follow-up similar to that proposed by the Inter-American Development Bank (IDB), the OAS, and ECLA (the Economic Commission for Latin America).

The IDB, the OAS, and the ECLA have proposed "open regionalism," which would require recognizing all existing subregional agreements and establishing a minimum timetable for liberalization.

The SELA, based in Caracas, also suggests launching at the Miami summit "a strong effort to generate and execute investment programs in Latin America and the

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Caribbean" to take advantage of the opportunities offered by the Uruguay Round of GATT and the regional opening.

Caribbean, Latin American Meeting To Follow Summit

FL2411134194 Bridgetown CANA in English 2224 GMT 23 Nov 94

[FBIS Transcribed Text] Bridgetown, Barbados, Nov. 23, CANA—The Caribbean Tourism Organisation (CTO) is continuing its efforts to create a greater awareness of the importance of tourism to the people of the region. During the next few weeks two key CTO executives will be visiting with tourism ministers and other industry officials in five of the 31 member countries to reinforce the benefits of training, worldwide marketing and research support programs available to individual destinations through CTO.

In a news release, CTO secretary-general Jean Holder said "We believe these face to face meetings offer the best means of establishing strong and lasting partnerships with our member countries and will serve to help us achieve our goals for future growth".

The secretary-general's first destination is Martinique where he will be a guest on the programme "Destination Martinique," a live TV show on tourism which will launch the island's 10th Tourism Awareness Campaign. Holder will then travel to Venezuela for a meeting [with] tourism minister Herman Luis Soriano before being joined in Aruba by Michael Youngman, CTO director of marketing, for a meeting with Robertico Croes, Aruba's new minister of tourism. Both Holder and Youngman will then head to the Cayman Islands to meet with Minister Thomas Jefferson on December 1. While there, the CTO marketing director will participate in a panel discussion about developing tourism basics to small companies involved in tourism develoment in the Cayman Islands.

Youngman will provide expertise from 30 years of involvement in Caribbean tourism development.

Youngman's travels will wrap up at the annual CTO Chapter President's Meeting, which is being held this year in San Juan, Puerto Rico, December 8 and 9, while Holder will continue on to Miami for the 18th annual Miami Conference on the Caribbean and Latin America, December 11-15 sponsored by Caribbean/Latin American Action (CLAA).

The Miami Conference, which has been positioned to follow the historic Summit of the Americas, will offer the CTO leader the opportunity to address the challenges facing Caribbean and Latin American countries in guaranteeing air access with adequate capacity at competitive prices to all destinations in a session entitled "Moving Towards Consolidation: Aviation Services In The Region."

Human Rights Officials Oppose Proposition 187

PA2511194994 Mexico City NOTIMEX in Spanish 1705 GMT 25 Nov 94

[FBIS Translated Text] San Salvador, 25 Nov (NOTIMEX)—The Central American Council of Ombudsmen for Human Rights [Consejo Centroamericano de Procuradores de Derechos Humanos] and the Mexican National Commission for Human Rights (CNDH) today expressed opposition to California's anti-immigrant law 187 [as received].

The Central American council and Carlos Rodriguez Moreno, president of the Mexican CNDH, said the California initiative "violates fundamental rights by discriminating disadvantaged human beings and exploiting their needs."

In a joint communique issued in San Salvador today, they said Proposition 187 contradicts "all ethical principles which provide the basis for a human coexistence that aspires to be fair and just and to provide well-being."

"Proposition 187 runs counter to all international conferences, conventions, and treaties on human rights," the communique stressed.

The new anti-immigrant law 187, which was approved on 8 November in a statewide referendum, is designed to deny medical services and education to 1.7 million undocumented aliens who live in California.

Although the law's implementation was temporarily suspended by the California courts on 9 November, the ombudsmen warned that if implemented, it will primarily hurt children, women, and elderly people. They also viewed as ironic the fact that, while the Latin American countries are striving to make their economies stronger and to improve the levels of equality, "proposals that represent the past which our countries are trying to overcome are now being advanced within U.S. society."

The ombudsmen and the CNDH president agreed to ask the U.S. Government not to implement Proposition 187 in California because it might increase poverty, "it is exclusionary, and it creates social and political polarization." They also issued a call for "all people and nations of the world to reject this unjust and repressive measure."

The undocumented aliens who will be most harmed by Proposition 187 are those coming from Mexico and the Central American nations, which have high rates of emigration into the United States.

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Cuba

Solidarity Parliamentarians Urge Coordinated Support

PA2611033794 Havana PRENSA LATINA in Spanish 0005 GMT 25 Nov 94

[FBIS Translated Text] Havana, 24 Nov (PL)—Dozens of parliamentarians participating in the International Solidarity With Cuba Conference attended a National Assembly of the People's Government [ANPP] meeting today and proposed that actions in support of the island be coordinated.

The meeting was attended by ANPP President Ricardo Alarcon, Vice President Jaime Crombet, Jorge Lezcano, president of the Permanent Foreign Commission, Lazaro Barredo, Foreign Commission vice president, and other members of the legislative branch.

Alarcon made a broad presentation on the work done by the Cuban parliament in all its levels and said Cuba is working to implement what it considers to be the basic democratic ideal: the people's participation in government.

Among the main efforts being furthered, he mentioned the work done by the ANPP permanent commissions throughout the entire year. They conduct the debate on the most important bills from the bases up to the parliamentary assembly.

Spanish Deputy Laura Gonzalez proposed that joint activities be prepared by several parliaments together with nongovernment organizations in each country so as "to give the last kick to the blockade against Cuba."

The Palestinian delegation pronounced itself in favor of increasing interparliamentarian relations, backing Cuba at international forums, and also actively opposing the U.S. siege.

Andres Vanderhorst, president of the Foreign Commission in the Dominican Republic Chamber of Deputies, reported his organization has issued a resolution to condemn the blockade against Cuba and called other countries to get their parliaments to issue a similar resolution.

The Australian representation called deputies to use their political and personal contacts to promote capital investment in the Antillean country, and the representative from Bangladesh requested that parliamentary groups to back Cuba be established.

Canadian, Mexican, and Zimbabwean deputies also contributed their ideas to reinforce their support for Cuba's right to its independence and self-determination. Alarcon thanked the visiting parliamentarians in the name of the Cuban ANPP for their proposals of solidarity with Cuba.

General Agreements Approved

FL2611154794 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Nov 94

[Report by Maria Diaz; from the "National Radio News"]

[FBIS Translated Text] A total of 3,039 delegates from 108 nations participated in the First World Solidarity With Cuba Conference this morning. Maria Diaz reports from the Karl Marx Theater:

[Begin recording] [Diaz] The First World Solidarity With Cuba Conference, which since its beginning has spoken out against the U.S. blockade of Cuba, approved general agreements today, including:

—declaring 1995 the International Year of Jose Marti and the Year of the Struggle Against the Blockade;
—holding regional meetings with all involved in the struggle against the blockade;
—continuing the aid-to-Cuba campaigns;
—working for the success of the solidarity movement;
—and proclaiming 10 October International Solidarity With Cuba Day.

Delegates continued to declare support for Cuba at the Karl Marx Theater this morning. Chile's Clodomiro Almeyda told the audience that on the subjects of democracy and humanism, no one can give lessons to the Cuban Revolution. Ken Hill, British coordinator of the Solidarity With Cuba campaign, delivered a $40,000 check and expressed the English peoples' firm support for the Cuban people.

Painter Oswaldo Guayasamin said that to help Cuba is to help ourselves.

[Guayasamin] Cuba is the best example of human dignity, because if Cuba falls, God forbid, we will fall into the putrid claws of the empire. To help Cuba is to help ourselves, to help the poor of any corner of the earth. [end recording]

Exclusion From Summit Condemned

PA2711003394 Havana PRENSA LATINA in Spanish 2110 GMT 25 Nov 94

[FBIS Translated Text] Havana, 25 Nov (PL)—The 3,000 delegates to the World Solidarity With Cuba Conference agreed unanimously to condemn Cuba's exclusion from the upcoming Summit of the Americas. The conference is scheduled to conclude here today.

Representatives of friendship organizations and notable persons from five continents gathered at Havana's Karl Marx Theater and affirmed the conference's nine general decisions that will govern the World Solidarity With the Cuban Revolution Movement, which is the chief anti-imperialist force in existence.

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Among the agreements is the decision to declare the year 1995 the international year of Jose Marti and of the struggle against the U.S. blockade of Cuba.

Solidarity movements around the world will observe 19 May 1995, the centennial of Jose Marti's fall in combat, as a day to honor the Cuban national hero and support Cuba.

The delegates to the meeting also proclaimed 10 October, the day in 1868 when Cubans began their revolutionary struggle, as an International Day of Solidarity with Cuba.

The delegates also strongly protested Cuba's exclusion from the hemispheric summit convened by U.S. President William Clinton (from 9 to 11 December).

They also rejected the blockade, financial and economic pressures against any nation, blocking information on the island's social program, as well as its effects on the national media.

The friendship organizations and relevant personalities from more than 100 countries also resolved to continue increasing their material donations and economic aid as an expression of their solidarity to Cuba.

Likewise, they decided to maintain and improve national and regional solidarity meetings and to work to increase the movements of support for the Cuban revolutionary process by promoting all types of exchange to this end, as well as economic investments on the island, which has been under siege by the United States for more than three decades.

Commentator: Conference 'Blow' to Blockade

FL2611151894 Havana Radio Rebelde Network in Spanish 1255 GMT 25 Nov 94

["Our Opinion" commentary by Eduardo Dimas Fernandez; from the "Doing Radio" program]

[FBIS Translated Text] The First World Solidarity With Cuba Conference is scheduled to conclude today in Havana. Yesterday, the number of delegates was tallied at 2,980 from 110 countries, representing different solidarity, university, union, and governmental organizations. This conference demonstrates that we are not alone; that we continue to represent hope for many; and that, in spite of unrelenting, systematic, and absolutely unscrupulous anti-Cuban propaganda, many believe in our work of social justice—which may be imperfect, but which is much more just and humane than that of other societies.

The U.S. blockade has been denounced and calls for it to be lifted have been made during this conference. Many initiatives to help Cuba have been proposed, from designating a day of world solidarity, to extending the movement to every tier of society in every nation, to advocating the idea that all workers in the world donate one day's salary to Cuba. If one important lesson can be learned from this conference it is that the best human emotions have not died and that in this increasingly selfish world, these human emotions still endure, are still alive and well, and are being expressed in the best manner. It is important to be aware of certain situations because they demonstrate the extremes to which the U.S. blockade is willing to extend in its goal of denying the existence of solidarity with Cuba. To date, no major U.S. news agency has reported on the Solidarity Conference: The same is true of international media, they have hardly mentioned the conference. I am sure that, if you asked an average citizen of any country in the world, more than likely, he would know nothing about what is going on in Cuba, because the World Solidarity Conference is a defeat for the empire that attempts to isolate us.

What has been given a lot of press coverage by U.S. media is the report of the so-called rapporteur for human rights in Cuba, imposed by the United States in 1992 and concocted from the lies of radical elements in Miami—that is to say, in the typical fashion of that man known for his historic militancy against the Cuban Revolution. This report contrasts with the stance of Jose Ayala Lasso, UN high commissioner for human rights, who recently visited Cuba and who, in spite of pressures, pointed out that he did not come to Cuba to investigate alleged human rights violations but rather to establish contacts with Cuban officials. These respectful and objective statements by Ayala Lasso have received very little coverage.

This, of course, reflects the empire's logic and its control over global media. You are quite aware how the U.S. Government fears letting the truth about Cuba out. This world solidarity conference is a blow to the blockade policy; therefore, they try to repress not only the results of the conference but also the very fact that it is being held.

Perhaps not everyone in the world will hear about this conference or its results. However, who can stop these men and women from every corner of the globe from spreading the truth about Cuba, a truth they have learned firsthand? The campaigns against Cuba may continue. The empire can use all its available resources, but they cannot prevent Cuba's remaining in the hearts of all those who struggle for social justice, thanks to international solidarity. Therein lies the defeat of the U.S. blockade policy.

U.S. Seen Pursuing 3 Goals at Miami Summit

PA2511144694 Havana PRENSA LATINA in Spanish 0809 GMT 23 Nov 94

["Exclusive" article by Venezuelan writer and journalist Domingo Alberto Rangel: "Will the Miami Summit Cement or Liquidate Latin American Unity?"]

[FBIS Translated Text] Caracas—The Miami summit, which is scheduled to be held on 9-11 December, looks like a boa constrictor that strangles in silence.

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Until today, they have talked about it almost in whispers, and we are only a few weeks away from the event. Brazil and Mexico proposed that this summit be held in Washington or New York. Miami, they stated, will give the event an anti-Cuban flavor that will hinder the free and orderly discussion of the hemisphere's problems. These observations did not advance any further.

The United States was the sole initiator of this summit which, as in the best Monroe tradition, is pursuing three goals. The first is the U.S. need to counterbalance the Ibero-American Summits that have been attended by all Spanish- and Portuguese-speaking Latin American countries without exception and the two countries of the Iberian Peninsula.

Because the United States did not attend these summits, Washington started to become uneasy and is now trying to downplay or invalidate them through the Miami conference.

This goal, however, despite its great significance, does not compare with the other two objectives that moved North America's imperial will to prepare the Miami event.

The first is to isolate the hemisphere to a certain extent by creating a closed or almost closed system to undermine or counter the competition presented by the European Union, Japan, and lately, South Korea, Taiwan, and Malaysia.

The participation of the Asians in the world market has increased from 6 percent to 12 percent, according to FORTUNE magazine. This reality is embarrassing to the United States, because, regardless of what this "backyard" [previous word in English] represents, it continues to be a commercial release valve for the U.S. economy.

The Washington and New York establishment [preceding word in English] did not react because it did not have a specific plan to curb the continual expansion of trade between Latin America and Europe.

NAFTA, which was signed with Mexico and Canada and ratified one year ago, would provide such a plan.

NAFTA opens the U.S. market to Mexican exports. Although NAFTA includes a number of clauses which safeguard the sugar and citrus industries in the southern United States from competition with Mexican products, it leaves a reasonable margin for Mexican products to access the U.S. market.

Recently conducted studies show that many industries established in the western part of the United States will relocate across the Rio Grande in Mexico to enjoy the privileges and advantages of cheaper manual labor.

These companies will carry out those stages of the production process which use more manual labor (capital using) [previous two words in English] in Mexico, and they will finish the products in the United States when more complex stages, from a technological point of view, are reached.

A new international division of labor is being perceived in which assembly plants will be located in countries near the United States to take advantage of an abundance less costly manual labor.

In exchange for these assembly plants, which will alleviate some of the chronic unemployment of our countries, Washington will have privileged access to domestic markets.

NAFTA will become a model for relations between North and South, between the United States and Latin America.

The United States hopes to include, one by one, a number of Latin American countries that are already lining up.

Following the Senate's ratification of NAFTA, rumors have begun to spread regarding the future inclusion of a number of nations.

Chile was mentioned, which flattered Chile. This, in turn, prompted Argentine President Carlos Saul Menem to hurriedly announce Argentina's possible candidacy. Then Venezuela and Colombia allowed their names to be mentioned as future candidates.

Will the Miami summit serve to give NAFTA a continental reach and solve U.S. problems regarding European and Japanese competition? Will it resolve other problems, and, if so, which ones?

The blockade against Cuba cannot be avoided at a meeting that will bring the United States together with the Latin American nations. It is an unavoidable issue. This holds even truer now that THE WALL STREET JOURNAL is asking for the cancellation of the blockade and now that discussions regarding the issue are thriving in the U.S. Congress.

The days of the U.S. blockade are numbered. There are still obstacles in the United States: the pressure exerted by the Miami-based Cuban lobby [previous word in English] and some very specific trade interests. Nevertheless, U.S. diplomacy will not allow the blockade to be lifted, even when pressure from within the United States and pressure from the entire world becomes wholly unbearable, without something in return.

What is that something in return?

It is that pressure be exerted on Cuba to agree to change its policies, as well as the higher prize of altering the essence and orientation of the Cuban state and its institutions, in return for an end to the blockade.

The United States cannot exert this pressure directly. It needs something resembling a number of Latin American Good Samaritans to carry out this task.

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The Miami summit is at a crossroads. Different positions will be outlined there, and the result could be a strengthening of Latin American solidarity with the idea that only if the region is united will negotiations with the United States be possible.

On the other hand, our common hope, which our countries have not yet learned to endorse, could be shattered, because some countries have almost always heeded the gifts or flattery of those of a different persuasion which only benefits those who would ruin us.

Commentary Criticizes Exclusion

PA2711044894 Havana Radio Havana Cuba in Spanish 0000 GMT 27 Nov 94

[Unattributed station commentary; from the "Evening Information Review" newscast]

[FBIS Translated Text] The appearance of another slanderous human rights report on Cuba shortly after the U.S. Government sustained a significant defeat at the UN General Assembly, where a majority approved a resolution rejecting the U.S. economic embargo, smells like reprisal and shameless revenge. Openly slanderous statements have been made against Cuba without any evidence and based solely on testimonies or remarks by individuals associated with the Mafia-like, ultrarightist Cuban emigrants in Florida.

The idea is to make noise and amplify it through the powerful publicity apparatus at the disposal of the great northern power. Obviously this action, discredited again and again, is such a last resort that it hardly merits a response. Cuba does not even have to oppose this trite and childlike hoax with its own truth.

The origins of this lowly trick is similar to that of the well- known inter-American summit that the United States has called for next December. It is just Washington's gross and haughty reaction to the four Ibero-American summits that have been held on the continent without the U.S. presence or (?approval). This so-called Inter-American summit, from which Cuba has been excluded, is but a crude reminder by the lord of the continent that the countries of the hemisphere cannot ignore the lord's authority and influence in the region's affairs.

The designation of Miami as the site for this unique meeting is also a direct allusion to its anti-Cuban nature. Miami is something like the capital of Cuban emigrants in the United States. The most recalcitrant, reactionary, and dreadful of these emigrants have their center—but not the authority and support they would like—in this city. The organizers of this summit perhaps thought that the Cuban Government would not dare send its delegates to this den of thieves. But they were wrong again. The Cuban Government has said it is willing to attend the meeting if properly invited. How many times will it be necessary to show the Yankee leaders that we Cubans are not afraid? It is they who are afraid of Cuba's presence at this meeting of inter-American heads of state. He who is afraid does not honor the cause he allegedly defends.

The U.S. leaders seem to think that they will be able to offset or try to offset their defeat at the United Nations with a new, favorable vote at the next human rights meeting in Geneva. So far it has been easier at that forum to get support from allied, compromised, or threatened countries to somehow participate in the aggressive U.S. policy against Cuba. But the present course of events apparently does not favor this aspiration. Although some people may think otherwise, it is absolutely contradictory to vote for Cuba at the UN General Assembly because the economic embargo intended to strangle the country is deemed unjustified and inhuman, and then in other forums support the blocking country against the blocked one, which has been blocked precisely for defending the human rights of its people against the oppression of the big economic power bent on subjugating Cuba.

Truth has been making inroads and will continue its inexorable march forward, because that is what can best defend the interests of the majority of the world's people. It is not by defending oppressors that the freedom of nations and the well-being of human beings is assured. It is done by untying the hands and feet of those who want to work and to walk for mankind's well-being. That is the only way to untie the knots and make justice work.

Article Views Strengthening of 'Religious Right' in U.S.

PA2711185794 Havana PRENSA LATINA in Spanish 0834 GMT 26 Nov 94

["Exclusive" article by Dihur G. Tchanlesso: "United States: Vigorous Reemergence of Extreme Right-Wing"]

[FBIS Translated Text] The ultraconservative trend, also known as "the religious right," has regained vigor and is getting organized with tremendous might within the U.S. Republican Party.

This tendency resides in the so-called Christian Coalition—a powerful movement endowed with vast material and human resources, a great deal of money, and increasing influence. Its weight became evident not long ago with the Republican victory in legislative elections.

The so-called Grand Old Party (GOP), whose symbol is an elephant, will control the 104th U.S. Congress. It displaced the Democratic majority from within the Capitol, and as of January it will control the House of Representatives and the Senate.

Having no external ideological enemy, now that communism has been swept away from Europe and remains under constant attack in other places, North America is looking inside itself in search of some sort of moral repair and to set up a breakwater to protect itself from its own decadence and loss of ethical values.

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Analysts are evaluating with skepticism the return of puritanism in a nation unable to halt the erosion of its corner stones—the family, religion, the state, and society—all of which are in the clutches of corruption, drug-addiction, and violence.

In early September, WASHINGTON POST reporters David Von Drehle and Thomas B. Edsall published a long article on the development and power of the religious right and its executive branch—the Christian Coalition.

Following Bush's 1992 defeat, this group's antagonism has become increasingly obvious. Its main political adversary is President Bill Clinton, whom the conservative Republicans want to expel from the White House in 1996, the article says.

This ideologic tendency is basing its campaign on the belief that the United States "is losing its religiousness" and that the nation's political ideals need to shift to the right.

This radical group wants to take the lead in defending a strong nuclear family, urban security, school prayer, a better education system, lower taxes, and less federal government intervention in national life.

This tendency stands against abortion, the rights of homosexuals, feminism, sex education in the schools, and health reforms promoted by the Clinton administration, among other things.

The radical right has dubbed the current president a liberal and is trying to defeat legislative programs drafted by the executive.

Who are the key figures of the Christian Coalition; where does it look for its members; and what sources does it count on to gradually seize the Republican Party's leadership, where one-third of its members already exert influence?

Its founder is Pat Robertson, an evangelist who owns a radio and television network empire with headquarters near Norfolk, Virginia. It is said that Robertson is always ready for verbal strikes and is a master of the art of destroying his enemies by defaming them.

Jerry Falwell is another personality at the head of the ultraconservatives, who recruit new followers in all 50 states, although they prefer California and Texas, because these states are the ones with the most weight in the electoral body that ultimately decides the presidency.

In addition to the approximately 40,000 letters and postcards he sends to get his message across, Falwell also reaches the U.S. people through videocassettes. He solicits funds and works to persuade all denominations to join in a crusade "to save a faith that is in danger in the United States."

Ralph Reed, 33, is the coalition's executive director. He is a very persuasive speaker, according to experts quoted by THE WASHINGTON POST. Reed is one of the so-called "wunderkinder" of the postwar generation.

On behalf of the organization he supervises, he administers a $20 million fortune—a product of voluntary donations. He has extended his recruiting work to twelve states and hopes to reach 12 more.

The group also publishes magazines. One of them, CHRISTIAN AMERICAN, has a circulation of 700,000 and can be found throughout the nation. There are also CHRISTIANITY TODAY and CHARISMA.

The extremist Republican alliance claims to control 60,000 religious groups. Reed boasts that the largest churches under its influence are the Baptist, Methodist, Presbyterian and evangelical churches, as well as some Catholic churches.

Reed is now turning his sights on African-American believers, who have been traditionally conservative since the days of slavery. [sentence as published] Reed sings a hymn free of racial prejudice to attract new converts to his trend, which has been compared to a climbing plant.

George Bush must remember bitterly the sapper role played against him by a group of religious-right paladins, particularly the attacks and snares set up by Pat Buchanan, one of his Republican rivals who frustrated his reelection.

Culture Minister Views Talks With Venezuelan President

FL2611023794 Havana Radio Rebelde Network in Spanish 0000 GMT 26 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Cuban Culture Minister Armando Hart Davalos met Venezuelan President Rafael Caldera in Caracas on 25 November. Hart told PRENSA LATINA that they discussed the influence that cultural issues could have on Latin American integration. He said that the dialogue was affable and cordial and that they also discussed, among other things, the recent meeting of culture ministers in Trinidad and Tobago and the creation of a Venezuelan commission to commemorate the centennial of Jose Marti's death.

Trade Official on Ties With Ecuador

Further Plans Reported

95CA0022A Guayaquil EL UNIVERSO in Spanish 18 Oct 94 p 3

[FBIS Translated Text] Orlando Hernandez Guillen, the Cuban vice minister of foreign trade, and Fernando Suarez Murias, an expert on that sector of Cuban affairs, paid a visit to Guayaquil to meet with Ecuadorian businessmen and to approve joint trade activities.

Hernandez said that it is important for Cuba, as well as for Ecuador, to hold talks to seek ways to establish

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foundations for the drafting of agreements to facilitate product access for the two countries. He further stressed that an Ecuadorian Government delegation is expected to visit Cuba in the near future.

Among the products mentioned by the vice minister were rice, beans, and flour, although this Caribbean island began selling cement, steel, cattle, and, above all, medicines (Cuba is quite advanced in their manufacture) to our country some time ago.

The vice minister recalled that Cuba has been negotiating with Spain, Italy, England, and Colombia, and some cooperation agreements have been signed with those countries.

Concerning the Havana Fair, which is scheduled for the end of this month, he said that there will be an increase to 50 in the number of countries participating in this event this year, as compared with the last fair, which was attended by only 45.

Update on Oil Arrangement

95CA0022B Quito EL COMERCIO in Spanish 18 Oct 94 p B3

[Interview with Vice Minister of Foreign Trade Orlando Hernandez; place and date not given]

[FBIS Translated Excerpt] As a result of the collapse of the socialist bloc, Cuba has been experiencing a whirlwind since 1990. The changes that have occurred include the legalization of the possession of dollars, open acceptance of foreign investment and capital, a free agricultural market, implementation of a tax system, and migration.

Orlando Hernandez, the Cuban vice minister of foreign trade, talked with EL COMERCIO about these matters during his recent visit to the country.

"Cuba does not belong to any trade bloc, but nonetheless, 40 percent of its trade is with the Latin American countries," he said.

[EL COMERCIO] What is the status of trade relations with Ecuador?

[Hernandez] There has been trade exchange for more than 15 years. Currently, government talks are under way. We are seeking to create a framework that will provide the greatest possible market access for both countries.

[EL COMERCIO] Has the Cuban open approach created additional possibilities?

[Hernandez] Yes, because it provided a space for the participation of Ecuadorian businessmen, either through investments or the trade opportunities offered by the Cuban economy. Last year, trade between Ecuador and Cuba came to a total of $100 million, basically as a result of oil sales. A similar figure is expected for this year.

[EL COMERCIO] Is Ecuador continuing to sell oil to Cuba?

[Hernandez] Yes, it is doing so in the manner customary on the international market, through international companies and operators like Tricentrol.

[EL COMERCIO] What are Cuba's prospects where Latin America is concerned?

[Hernandez] Although Cuba is not a member of any Latin American integration group, 40 percent of its foreign trade is with the Latin American countries, and this trade has been increasing since the disappearance of the East European partners.

[EL COMERCIO] What were the reasons for establishing a tax system in Cuba, and what have the consequences been for a population unaccustomed to such a system?

[Hernandez] The tax system was established on the basis of the greater influx of investments, more private activities, and the need to reduce the budget deficit. There are no substantial differences between its goals and those of the tax system in any other country. However, Cuba can boast of a series of triumphs, those in public health and education, in particular.

[EL COMERCIO] The effort to liberate the Farmers' Markets in 1986 was not successful. It led to social dissension. Why is this measure being tried again?

[Hernandez] Under the new conditions, it may be a way of increasing farm production, not only by the private farmers (who were the principal participants in the earlier market), but by the state farms, the cooperatives, and the Army units, as well.

[EL COMERCIO] What will be done about the social arguments this will provoke among the farmers?

[Hernandez] Under the current circumstances, it is more important to stimulate and regain the productive levels that will meet the needs of the population.

[EL COMERCIO] The possession of dollars is dividing Cuba into two groups—those who have them and those who do not. This too has led to the hateful disagreements that are attacked by socialism.

[Hernandez] The greatest beneficiaries are those who possess foreign exchange, in one way or another. But thanks to these funds, it is possible to obtain funds so as to be able to invest in food, health, and other things for all of the people.

[EL COMERCIO] Why isn't the sugar sector included in those open to investment?

[Hernandez] In fact, the sugar sector is not open to investment, but it might be in the future.

[EL COMERCIO] Why not now?

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[Hernandez] We have demonstrated that using our own resources, we can function efficiently. We have intellectual resources in all phases of the productive process. In recent years, it is true, the harvests yields have been smaller, but this has been due to problems with replacement parts and equipment. The solution lies, very simply, in obtaining the financial resources to deal with this ourselves. [passage omitted]

DPRK General Cho Myong-nok Begins Official Visit

PA2511000094 Havana PRENSA LATINA in Spanish 1646 GMT 24 Nov 94

[FBIS Translated Text] Havana, 24 Nov (PL)—Army General Cho Myong-nok, head of the DPRK Air Force and Aerial Defense, has begun an official and friendly visit to Cuba today.

Myong-nok and his delegation are guests of the Revolutionary Armed Forces Ministry and will visit centers of socioeconomic interest and will hold talks with Cuban personalities, GRANMA has reported.

The high-ranking Korean military leader has been decorated as Hero of the Republic and is a member of the Korean Workers Party Central Committee and a deputy of the DPRK Supreme People's Assembly.

Visits Combat Equipment Factory

FL2611023494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] A high-ranking North Korean military delegation led by Cho Myong-nok, head of the North Korean Air Force and Aerial Defense, is visiting Cuba. The visitors paid homage to General Antonio Maceo y Grajales in El Cacahual. The North Korean military delegation this afternoon visited the Brigadier General Francisco Cruz Bausa military industrial enterprise, where arms are repaired and new combat equipment is manufactured. Cho Myong-nok said that only our efforts and willpower will allow us to defend socialism's accomplishments.

General Rosales del Toro Views FAR Anniversary

FL2811031594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] On 2 December, the Revolutionary Armed Forces [FAR] will celebrate their 38th anniversary.

Division General Ulises Rosales del Toro, FAR first vice minister, granted an interview to correspondent Marta Moreno.

[Begin recording] [Rosales] When we approach the 38th anniversary of the FAR's founding and Armed Forces Day, we can say that we find ourselves in times that mark a new stage for the Armed Forces. During the year—following the indications and orientations of the commander in chief and under the direct command of the minister of the FAR—the Armed Forces has completed a large number of tasks on broad and complex fronts. These tasks have not only been aimed at resolving problems that hinder combat and war readiness, but also aimed at aiding our people by using anything within our reach.

[Moreno] During this very difficult year, we see that the Armed Forces have continued to advance. What would you say to them on this anniversary?

[Rosales] In the first place, I would like to take this opportunity to send greetings in the name of the minister of the FAR to our officers, sergeants, soldiers, cadets, civil employees, reservists, and especially to the people of the militia. Thanks to their everyday work, complying with a number of tasks, we have been able to reach our present level. I would exhort all of the Revolution's combatants to continue their efforts to guarantee the Revolution's defense, which is the same as defending our sovereignty, independence, and our right to continue with the Revolution.

[Moreno] Many thanks, General. [end recording]

National Defense Day Activities Scheduled

FL2611154894 Havana Radio Rebelde Network in Spanish 1000 GMT 26 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] One of the main goals of Havana's National Defense Day, scheduled for 4 December, is to attain the highest involvement of the population in defense activities. Exercises and tactical defense training of social and economic targets will be conducted, as well as small caliber firing training. Every municipality will conduct a review of the day, establish Territorial Troops Militia promotion ceremonies, and formally register youths born in 1978 for military service.

Military Training Exercises Reviewed

FL2611154994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] The high level of training of the aptly named true army [senor ejercito], the Eastern Army, has been reconfirmed, once more, at the conclusion of the Moncada 2-94-2. The exercises took place in Camaguey, Las Tunas, and Holguin Provinces over a period of three days. Tank units, anti-aircraft defense systems, electronic search systems, naval, and air force units took part with efficiency, precision, and control, while executing actions which tested the level of coordination between staff, small and large units, brigades of production and defense, and the Territorial Troops

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Militia. This training exercise, for commanders and staff, took place under intense physiological pressure due to the complex situations that were created—very similar to those that could take place in case of a real aggression.

[Begin unidentified speaker recording] The troops have complied with the missions that staff had planned. We have witnessed firsthand the troops' efficiency in fulfilling the tasks each unit was given and we have seen the effectiveness of the fire from our small units against the enemy. [end recording]

Eastern Army Ordered to Combat Readiness

FL2811011694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] In the last few hours, the Eastern Army's chief has given an order for combat readiness to the Eastern Army's naval base. This made an inspection of a rocket armament maneuver possible during the Proa-38 exercise, with satisfactory results. This maneuver has taken place parallel to the Moncada-94-2 exercise. In a short period of time, the participants executed the necessary calculations, allowing them to obtain full combat readiness, as well as being prepared to repel a military blockade 101 miles away, air strikes, and annihilation of a landing force.

During the maneuver, the following exercises were carried out with success: sweeping and laying mines; combined rocket launching from surface and coastal units; and launching torpedoes from ramps situated on the coast. At the eastern naval base, the Moncada-94-2 exercise made the use of radio location and communications equipment possible under special conditions of transmission and reception. These are a series of measures that do not reveal the army's actions during missions, even during the communications with Defense Councils and zones of the territory being defended.

The Proa-38 maneuver has highlighted the Eastern Army's level of training and combat readiness, as well as its motivation to retain the status of Cuba's most outstanding army.

Western Army Receives Model Status Award

FL2811004294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] The Western Army advanced another step in the Emulation Among Armies process, when one of its units achieved model status in maintenance of equipment and arms.

On 26 November, Unit 2721 completed drills, which allowed the unit to maintain high combat readiness. [Begin unidentified army member recording] Combat readiness means to be sure that our equipment can perform any given mission [word indistinct]. [end recording]

A Minfar [Ministry of the Revolutionary Armed Forces] commission has been inspecting the condition of tanks, armored transports, and anti-aircraft equipment for several days. Finally, at two o'clock, Colonel Raul Rodriguez Lobaina, chief of Unit 2721, received the distinction that acknowledged his unit as first in Cuba to achieve model status [words indistinct].

Roundup of Politburo Members' Activities

FL2811011794

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Cuban Communist Party Central Committee monitored through 27 November.

Yadira Garcia Vera, member of the Politburo and first secretary of the Communist Party in Matanzas, has chaired the provincial defense council, which has announced the beginning of the recovery period in several municipalities following the alert due to Gordon tropical storm. (Havana Cuba Vision Network in Spanish 0100 GMT 16 November 94)

Candido Palmero is touring Nueva Paz, Melena del Sur, and Guines Municipalities, Havana Province, to assess in detail the status of the crops, the planting, sowing, tilling, and morale of the labor force at miscellaneous crops Basic Cooperative Production Units. (Havana Radio Reloj Network in Spanish 2052 GMT 16 November 94)

Pedro Ross Leal has meet with (Lema Motrante), secretary general of the South African Mineworkers Union, at the headquarters of the Cuban Workers Federation in Havana. Ross stressed the ties of solidarity and brotherhood that link the two nations' union movements, particularly the ANC. (Havana Radio Rebelde Network in Spanish 0000 GMT 18 November 94)

Pedro Ross Leal, general secretary of the Cuban Workers Federation, has left for Syria to participate in the 13th World Federation of Unions Convention, to be held in Damascus 21 to 25 November. (Havana Radio Rebelde Network in Spanish 1000 GMT 19 November 94)

Alfredo Jordan Morales, Politburo member and agriculture minister, introduced a new incentive system to encourage production. Jordan said tobacco production is deteriorating in Cuba and recovery in the industry is vital. Jordan also said Cuba is spending $8 million dollars to buy tobacco for national consumption. (Havana Radio Rebelde Network in Spanish 1800 GMT 19 November 94)

Jose Ramon Balaguer, member of the Politburo, has visited Jiguani Municipality in Granma, where he has discussed the organization of the May 1995 national

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celebration to commemorate the centenary of Jose Marti's death in Dos Rios. In addition, he has asked local farmers to increase food and milk production. (Havana Radio Rebelde Network in Spanish 0000 GMT 24 November 94)

Division General Ulises Rosales Del Toro, chief of the Armed Forces General Staff and first vice minister of the Revolutionary Armed Forces, has attended the farewell ceremony for the Mexican training vessel (Cuatemoc). (Havana Cuba Vision Network in Spanish 0100 GMT 23 November 94)

Pedro Ross Leal, secretary general of the Cuban Workers Federation, has participated in the 13th congress of the World Federation of Trade Unions in Syria, and has called for structural changes in this organization, which has lost over half of its affiliates worldwide. (Havana Radio Rebelde Network in Spanish 0000 GMT 25 November 94)

Esteban Lazo, first secretary of the Communist Party in Havana, was present at the provincial plenum of the Cuban Workers Federation held at the Lazaro Pena Theater in Havana. (Havana Radio Rebelde Network in Spanish 1800 GMT 26 November 94)

Juan Almeida Bosque, member of the Politburo, has given a flag to Tusco-38 expedition members—who have left on the Rio Moa ship, to reenact the sailing of the Granma yacht during a farewell ceremony in Havana. (Havana Radio Reloj Network in Spanish 2030 GMT 27 November 94)

Esteban Lazo Hernandez, member of the Politburo, has stressed the importance of the work done by unions, during a plenum of union members in Havana discussing 1995 activities. The participants have acnowledged the result of the almost 11,000 efficiency assemblies held in Havana. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 November 94)

JOSE RAMON MACHADO VENTURA and CANDIDO PALMERO, members of the Politburo, have participated in the first meeting of friendship between the Canary Islands and Havana (Havana Tele Rebalde and Cuba Vision Networks in Spanish 0100 GMT 27 November 94).

Pope John Paul II Appoints Cuban Cardinal

FL2811003894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Pope John Paul II has appointed 30 new cardinals, among whom is Jaime Ortega [words indistinct] Archbishop of San Cristobal in Havana City [as heard] and president of the Cuban Bishops' Conference. The solemn ceremony took place in the Vatican's Paul IV room, where another five Latin Americans were also appointed cardinals. The President of Italy Oscar Luigi Scalfaro and delegations from many countries—including 250 Catholics from Cuba—attended the ceremony, where His Holiness the Pope spoke. After the ceremony, the new Cardinals participated in a Mass held in St. Peter's Basilica.

Matanzas Province To Host AIDS Day Ceremonies

FL2611155494 Havana Cuba Vision Network in Spanish 0100 GMT 25 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Matanzas Province has done well on the care and prevention of AIDS. Medical and paramedical personnel take pride in their humanitarian work. As of September, there were only 1,094 AIDS patients in Cuba, representing a rate of 11.72 cases for every 1,000,000 inhabitants. The highest incidence occurs in Havana City, Pinar del Rio, Villa Clara, and Sancti Spiritus Provinces. Matanzas was selected to host the national ceremony marking the World AIDS Day, to be celebrated on 1 December. Matanzas was chosen thanks to the efforts of the personnel at the AIDS Prevention and Control Program, the Provincial Center of Hygiene and Epidemiology and its dependencies, and the Ismael Priaga Sanatorium, as well as the efforts of the specialized technicians at the blood banks and the political and mass organizations of that province. Matanzas has also held expositions, conferences, and seminars on the matter for family doctors and has provided specialized care to communities where AIDS patients live. To minimize the number of AIDS cases, provincial hygiene centers and laboratories study daily the blood samples of pregnant women; medical personnel; port, airport, and customs workers; and personnel entering or leaving the country. The efficient work of laboratory workers at blood banks, polyclinics, and hospitals demonstrates that so far, all cases have been infected through direct contact. No one has ever been infected by transfusions of blood or its derivatives.

Bahamas

Cuban Refugees End Hunger Strike

FL2611132694 Nassau Bahamas Radio Network in English 1300 GMT 26 Nov 94

[FBIS Transcribed Text] The Cubans housed at the Carmichael Road detention center have ended their hunger strike. According to reports, the refugees ended the strike at 1900 last night. Mr. Arturo Cobo, director of the Transit Home for Cuban Refugees, based in Miami, Florida, was instrumental in the negotiations towards a solution of the matter, according to reports. Mr. Cobo and two of his assistants, who were supported by Mr. (Manuel Cutios), of Bacardi, Ltd., also met with officials of the Ministry of Foreign Affairs to explain the request of the hunger strikers, who asked the Bahamas to ensure that the plight of the Cuban refugees in the Bahamas was kept before the international community with a view to finding a solution for their situation. The Ministry of Foreign Affairs is continuing its dialogue with the

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UNHCR, as well as several other countries, in order to find a third country which will accept the 262 Cuban refugees presently in detention.

Haiti

Minister Terms Economic Situation 'Catastrophic'

PA2611025994 Madrid EFE in Spanish 2355 GMT 25 Nov 94

[By Herold Jean-Francois]

[FBIS Translated Excerpt] Port-au-Prince, 25 Nov [EFE]—Haitian Finance and Economy Minister Marie-Michelle Rey today described the country's economic situation as catastrophic, with a budget deficit of 1,500 gourdes [as received] (more than $107 million). Rey made a year-by-year evaluation of the country's situation to explain the Haitian budget deficit and said that with such an inheritance no one can expect miracles from the Jean-Bertrand Aristide administration.

Rey deplored the fact that all the efforts made to counter the deficit during the seven months of Aristide's constitutional rule have been lost and said that the deficit increased considerably over the past three years.

Rey said during a news conference that this situation is affecting negotiations with the international financial institutions [IFIs] that have promised to help the country. He said that the World Bank, the Inter-American Development Bank, and the IMF are demanding that Haiti pay its overdue foreign debt as a condition for the aid offered to the constitutional government.

Rey said the government has very little room to maneuver due to the economic disaster left by the "de facto" authorities led by General Raoul Cedras. Stating that he cannot tell a lie, Rey said that when Aristide was overthrown in September 1991, the deficit stood at 120 million gourdes (more than $8 million), and the government was trying to reduce it.

Rey said that the deficit soared from 120 million in 1991 to 400 million in 1992, 600 million in 1993, and 1 billion in 1994. After mentioning embezzlement in state enterprises, Rey said: "I can say that there is very little room to maneuver in the negotiations with the IFIs."

Rey said Haitians must admit that public funds have been mismanaged and that everyone has to bear the responsibility. The minister added that the government's achievements will not be noticeable in the short term and that the situation will become more complex because the assistance promised by the international community will not begin to arrive until after Haiti has paid off its overdue foreign debt with the international organizations. Rey stressed that the government will have to make its payments before it can receive the promised assistance.

Rey said the rules of the game are now the same for everyone and that each person must pay his or her taxes and whatever they owe the state to help improve the country's economic situation. [passage omitted]

Aristide Meets Perry, U.S. Delegation 24 Nov

FL2511164494 Port-au-Prince Signal FM Radio in French 1130 GMT 25 Nov 94

[FBIS Translated Excerpt] [passage omitted] For his part, Jean-Bertrand Aristide addressed the assembly as well. He said he was happy to have explored the future with William Perry and the U.S. delegation and thanked U.S. President Bill Clinton for his leadership in the restoration of democracy in Haiti. The Haitian president renewed his invitation to Clinton to come to Haiti. He extended this invitation as well to Republican Senators Robert Dole and Jesse Helms, respectively the next Republican Senate majority leader and next chairman of the Senate Foreign Relations Committee. Let us listen to Jean-Bertrand Aristide.

[Begin Aristide recording, in English] ...come to you and to thank you on behalf of the Haitian people for what you are doing here with us and for us (?given) the way you are providing security to the nation. Happy Thanksgiving! Thank you for your presence. I just told them that while you are here instead of being home for this special day, [words indistinct] you are in a special home. [end recording]

President Aristide thanked his visitors on behalf of the Haitian people for the work they are performing with us and for us, he said, in favor of the establishment of security in Haiti. The president wished a happy Thanksgiving to the U.S. officials and thanked them for their trip in the country. He told them: You are here instead of being home, it is simply because you are home in Haiti as well. We have you in our hearts and you have a special place in the heart of each Haitian, he added.

Aristide, Perry Visit Hinche

FL2511192394 Port-au-Prince Radio Metropole in French 1145 GMT 25 Nov 94

[FBIS Translated Excerpts] [passage omitted] Shortly before leaving Port-au-Prince on 24 November, U.S. Secretary of Defense William Perry went to Hinche in Plateau Central along with President Jean-Bertrand Aristide. It is in Hinche that the U.S. secretary of defense announced that the U.S. troops would remain in the country until their mission ends.

Nevertheless, William Perry explained that the number of U.S. military troops will be reduced to 6,000 between now and the month of December. You have done extraordinary work, you have impressed the world, you are the story of democracy, stated the U.S. secretary of defense who was speaking beside President Jean-Bertrand Aristide. He made a point of thanking the Haitian people for the reception they had reserved for the U.S. military. [passage omitted]

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As mentioned, Perry was speaking in the company of President Aristide in Hinche. Aristide promised the population to make every possible effort in order to improve the situation of the inhabitants of the provinces.

[Begin Aristide recording, in Creole] Even if we have not yet managed to solve the misery problem, I can guarantee you that we are working hard to put an end to misery in Haiti. We are working hard so that one day you in Plateau will be happy not only because you will be living in peace, justice, and reconciliation, but also because when you need food, you will get it more easily; when you need to send your children to school, you will be able to do that; when you need medicines because you are sick, you will get them. As that is the mandate you gave me on 16 December 1990, as it was here in Hinche that I first came to begin the electoral campaign, I am more than happy today to renew my commitment to work with all of you so Haiti and Plateau Central can become more attractive. [end recording]

Perry Cited on U.S. Military Presence

FL2511165694 Port-au-Prince Radio Metropole in French 1400 GMT 25 Nov 94

[FBIS Translated Text] The U.S. troops will remain in Haiti until their mission ends, according to Secretary of Defense William Perry who visited Port-au-Prince on 24 November on the occasion of Thanksgiving Day. At the conclusion of his brief visit to Haiti, the U.S. secretary of defense announced that the U.S. troops would remain in Haiti until the complete accomplishment of their mission. We will maintain a U.S. military presence in Haiti until the work for which we were sent is totally accomplished, Mr. Perry stated shortly before his departure late in the afternoon on 24 November. The U.S. secretary of state of defense confirmed the reduction of the U.S. troops to 6,000 men by the middle of December.

Mr. Perry was accompanied by Mrs. Madeleine Albright, U.S. ambassador to the United Nations, and Pennsylvania Democratic representative John Murtha, outgoing chairman of the Defense [Appropriations] Subcommittee of the U.S. House of Representatives. Like Mr. Perry, these two personalities offered congratulations on the U.S. military intervention in Haiti. Mrs. Albright pointed out before the journalists the importance given to the upcoming legislative, municipal, and local elections in Haiti and the law on the separation of the Army and the police.

Officials Leave To Brief Guantanamo Refugees

FL2611030194 Bridgetown CANA in English 0009 GMT 26 Nov 94

[From the "Broadcast News Summary"; no dateline as received]

[FBIS Transcribed Text] The Haiti government plans to send a half-dozen officials to visit the refugee camps this weekend. The U.S. military said Friday nearly 6,000 Haitians remain at the U.S. naval base on Cuba's southeastern tip. A total of 15,199 Haitian migrants have voluntarily been repatriated to Haiti since democratically-elected President Jean-Bertrand Aristide returned to power last month. The Haitian government delegation will brief the refugees on current conditions in the impoverished nation.

Union Leader Threatens Demonstrations Against U.S.

FL2611020394 Port-au-Prince Radio Metropole in French 1400 GMT 25 Nov 94

[FBIS Translated Text] Jean-Auguste Mesyeux is taking an arrogant tone with the international community: The union leader has threatened to stage people's demonstrations against France and the United States, in particular, because, as he puts it, those countries have not kept their aid promise to President Aristide.

Jamaica

Prime Minister Views Miami Summit, Proposition 187

PA2511170494 Mexico City XEW Television Network in Spanish 0430 GMT 25 Nov 94

[Interview via satellite with Prime Minister Percival Patterson in Kingston by Jacobo Zabludovsky at the XEW Television Studios in Mexico City—live; Patterson speaks in English fading into Spanish translation]

[FBIS Translated Text] [Zabludovsky] We have Jamaican Prime Minister Percival Patterson from Kingston, Jamaica. Mr. Patterson, good evening and thank you for the interview.

[Patterson] My great pleasure.

[Zabludovsky] Mr. Patterson, the largest hemispheric summit in history will take place in Miami in exactly two weeks. What do you expect from this summit?

[Patterson] First, I must say it will truly be an unprecedented and historic meeting. Never before have 34 democratically elected heads of state gathered to discuss matters relating to the development of the people of the hemisphere. We think it is very important for us at this meeting to come forward with a plan of action or a declaration that can inspire the efforts of all of the governments and peoples of the Americas as we prepare to face the challenges of the 21st century.

We are going to discuss matters relating to trade, economic development, eradication of poverty, ways to promote development, and how to improve the development of human resources. There will be a wide range of topics which we will attempt to discuss in a short time. The quality of what we finally produce will greatly depend on the efforts currently being made in the preparation for the summit.

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[Zabludovsky] Mr. Patterson, as Jamaican prime minister, what is your opinion regarding the approval of Proposition 187 in California?

[Patterson] I understand that legal steps have already been taken in the U.S. federal courts questioning the constitutionality of the law; therefore, I would not like to comment on this for now. What I would like to say, however, is that the United States has always been identified as a country of freedom and a land of opportunities. Therefore, the recent decision made by the state and people of California seems to run counter to this. The approval of the proposition also suggests racist connotations. We greatly regret it.

We also should make it clear that if we do not try to face the problems of the people of this hemisphere, the pressure along the U.S. border will continue to increase, and this is why this summit is very important, because we must accept the fact that we are at different levels of development and that we need special measures to speed up the rhythm of economic growth in the less developed countries in an effort to provide jobs and good opportunities for the citizens inside our national borders.

[Zabludovsky] Mr. Patterson, would you like to add anything to this interview?

[Patterson] Only to say that we are very eager to participate in this hemispheric summit with all of our colleagues from other nations of the hemisphere in order that development, freedom, and the progress—those things for which we are fighting—can have meaning.

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Ruiz Massieu Reiterates Charges Against PRI Members

PA2711174694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Nov 94

[Report by Lilly Tellez; from the "Early Morning" newscast]

[FBIS Translated Text] The political storm continues. Former Deputy Attorney General Mario Ruiz Massieu has announced that more people are involved in the cover-up of the murder of Jose Francisco Ruiz Massieu, secretary general of the Institutional Revolutionary Party [PRI], and that all of the evidence is in the Attorney General's Office.

[Begin recording] [Ruiz Massieu] Evidence is part of every initial investigation, and the evidence related to this case is included in the initial investigation I made public yesterday. Now I am surprised to learn that the Attorney General of the republic is unaware that the evidence is included in the initial investigation report, especially considering that the file is in his own office.

[Reporter Javier Alatorre] Mario, do you know the whole truth surrounding the murder of your brother Jose Francisco?

[Ruiz Massieu] I can only say that I know much more than what I have already disclosed. Even though I publicly read 15 pages, that does not represent even 20 percent of everything I know about the murder.

[Alatorre] Do you intend to continue releasing what you know about the murder?

[Ruiz Massieu] On the one hand, I intend to disclose what I know about the murder as long as I can rely on the necessary guarantees. In addition...

[Alatorre, interrupting] Are you referring to guarantees with respect to your safety?

[Ruiz Massieu] Of course, and not only for myself, but also for my family. I also will disclose the information as long as the Mexican political system decides to continue with practices such as paying off the media to systematically attack me. This has already occurred once or twice during the investigation. Attacks and slander—this is what they always resort to.

If they intend to attack me, slander me, and turn the media against me, then I will be forced to counterattack. If the independent newspapers, which obviously are capable of acting in an unrestrained manner, are determined to attack me, then I will defend myself and disclose everything I know, which is a great deal. Then Pichardo [Ignacio Pichardo Pagaza, secretary general of the PRI National Executive Committee], Maria de los Angeles Moreno [secretary general of the PRI], Benitez [Attorney General Humberto Benitez Trevino], and others will learn that they cannot mess around with me. Everything I know is safely hidden in safety deposit boxes, and at least five other people have access to these boxes. These people already killed Luis Donaldo Colosio, and they killed Jose Francisco Ruiz Massieu. They already killed once, and they intend to continue killing.

[Alatorre] Are you concerned about your safety?

[Ruiz Massieu] Of course I am concerned about my life, and although I do not let it bother me much, you are absolutely right that I am concerned about my life. If these gentlemen... [pauses] How can I not be concerned when the Attorney General's Office is in the hands of an incompetent; and when the presidency of the largest party in the country is in hands of man who tried to write off the murder of his secretary general as nothing more than a matter involving gangsters; and when the PRI holds a majority in the Senate, the assembly, the governors offices, and the Chamber of Deputies? Of course I fear for my life, considering that these people are capable of anything. We have already witnessed this throughout 1994. [end recording]

CG-500 Reports Troop Deployment, Mistreatment by Police

PA2311140994 Mexico City LA JORNADA in Spanish 21 Nov 94 p 21

[Report by Rosa Rojas]

[FBIS Translated Text] Chilpancingo, Guerrero, 20 Nov—The "500 Years of Indian, Black, and Popular Resistance" Council of Guerrero (CG-500) has reported that soldiers have been deployed to Huehuetepec, Atlamajatzingo Municipality, and San Miguel Amoltepec, in the area of the Mountain, and that they are remaining there. "These are not the regular soldiers that participate in counternarcotics activities. These soldiers ride in armored personnel carriers and wear bullet-proof vests," the CG-500 reported.

"We have requested schools and clinics, but never soldiers," council leaders Marcelino Diaz de Jesus, Gaudencio Mejia, and Cirino Placido Valwrio said. They also said that, while troops are staging "intimidating" maneuvers, peaceful movements are being repressed and the federal and state governments are failing to fulfill the pledges made to Indian organizations. They added: "In the villages where we have representatives, it is normal for the government to try to divide those who are peacefully struggling through the council. In addition, armed groups are threatening opposition members, warning them not to participate in the CG-500 and to join the PRI [Institutional Revolutionary Party]. Apparently, they want to destroy us."

On a different subject, it has been unofficially reported that there are five Mexican Army helicopter gunships in the area of the Mountain patrolling Malinaltepec, Tlapa, Metlatonoc, and Olinala, and there are at least 2,000 soldiers in Atoyac, Petatlan, Tecpan, and Coyuca in the sierra.

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The Indian leaders interviewed at CG-500 Headquarters showed a videotape at 1000 on 18 November in Huehuetepec, Tlapa region, where a meeting was being held. The videotape shows the arrival of a military convoy, comprising two armored personnel carriers, 10 trucks carrying 11 soldiers each, and one truck with a Red Cross logo painted on its sides. The members of the convoy are shown giving candy to children who are watching them arrive.

Another video shows the repression staged against some 300 Indians—men, women, and children—on 14 September in front of CG-500 Headquarters in Chilpancingo, where mounted police and riot police violently attacked demonstrators who were staging a sit-down protest in Juarez Street to demand money for the Autonomous Fund for Alternate Development. A contribution of 23 million new pesos for public works had been negotiated with the federal and state governments in March, but only 20 percent had been released as of September.

The video shows how police, in a pincer movement, converged on the Indians simultaneously from both ends of the street, while an Indian band played the national anthem in a desperate attempt to encourage an end to the onslaught. The video shows police hitting, kicking, and rushing the protesters on horseback, as well as other forms of persecution.

The CG-500 leaders reported that 63 people were injured, many of whom are shown in the videotape. Later, Governor Ruben Figueroa issued instructions that the injured be compensated with 250-300 pesos apiece. One of them, the most seriously beaten, was given 8,000 pesos. Nevertheless, the CG-500 leaders said, "now gossiping reporters, in an effort to discredit the CG-500's work, have published a sort of bulletin saying that we grabbed at this money."

The leaders complained that neither the National Human Rights Commission [CNDH] nor the State Human Rights Commission has replied to the charges filed in relation to the incident, although three CNDH inspectors arrived at the scene the next day. The CG-500 leaders also demanded that the people directly responsible for ordering the repression be punished and that the state government release the rest of the resources agreed upon in March, which the leaders estimate at 9 million new pesos.

These are "details" that add up, they said. For instance, in each of the 23 communities where CG-500 candidates won the position of municipal commissioner with a majority of the vote, the director general of the governor's office, Esteban Mendoza Hernandez, has designated a "parallel" commissioner and given him an official stamp—an action that divides the population and pits the people against one another. This "wears us down by forcing us to deal with internal problems that can lead to violent clashes," because, the CG-500 leaders explained, if a commissioner elected by the majority calls for community work, the other refuses and the community spirit is broken.

"We are seeking peaceful solutions, but we are losing," they said. The people get fed up with this treatment and, in turn, fed up with peaceful solutions. At various levels in the government, the only goal is to control and manipulate everything—to pretend that all problems must be resolved through the PRI's intervention.

Finally, they said Godofredo Guzman Velazco, from Azoyu, yesterday reported that a member of the municipal police, which is headed by Felipe de la Paz, shot Guzman's son Isabel in the stomach under questionable circumstances. The wounded man was taken to Ometepec.

Government Secretary Reports to Salinas

PA2511155994 Mexico City UNOMASUNO in Spanish 23 Nov 94 pp 1, 9

[Report by Oscar Vasquez]

[FBIS Translated Excerpt] In rendering his report on the 11 months he has been at the head of the Government Secretariat, Jorge Carpizo informed President Carlos Salinas de Gortari that during this six-year period there have been "accomplishments and mistakes," adding that the final account will be favorable because of the significant transformations that have taken place and the modernization of our institutions.

Carpizo noted that the president's orders were always within the framework of the law and "he never asked me to do anything contrary to my principles."

Speaking at the Adolfo Lopez Mateos Room of Los Pinos Presidential Residence, Carpizo stated: "Mr. President, it is too early to objectively assess your six years in office. The people know that during these six years I never praised you. Today, a few days away from the end of your term in office I want to publicly state that in my opinion you secured many important achievements. Of course, there were accomplishments and mistakes, but what is important is that the ultimate account is very favorable."

Speaking before Under Secretaries Jose Narro, Beatriz Paredes, and Socorro Diaz; directors; and employees of the Government Secretariat, the secretary read his nearly one-hour-long report. He affirmed that his secretariat always acted within the framework of the Constitution and the law. His office did its best in a especially difficult year—a year of huge and incredible challenges, but also one of great opportunities, a year during which the Mexican people demonstrated their strength, common sense, and maturity.

At the end of the report, President Carlos Salinas praised the work carried out by Jorge Carpizo who, he said, surpassed every expectation. Salinas said the Government Secretariat fulfilled its responsibility in a year when the emphasis was on electoral and national security interests, both of which were handled effectively.

Following the applause awarded the secretary of government, the president described Carpizo's report as thorough, and he noted that no responsibility or obligation was overlooked. [passage omitted]

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Carpizo said that progress was made in the struggle to check violence and extortion against undocumented aliens along the northern border. Regarding the 40,500 Guatemalan refugees who are settled in 127 camps in Chiapas, Campeche, and Quintana Roo, Carpizo said their voluntary repatriation was arranged with the Guatemalan Government, adding that this year 7,300 Guatemalans have returned to their homeland.

Carpizo noted that his office's social communications policy was characterized by absolute respect for freedom of expression and the dignified treatment of the media. [passage omitted]

Secretary Says Navy Not Political Power Group

PA2511035194 Mexico City UNOMASUNO in Spanish 23 Nov 94 p 11

[Report by Jorge Reyes Estrada—words within italics as published]

[FBIS Translated Excerpt] Acapulco, Guerrero, 22 Nov—Navy Secretary Admiral Luis Carlos Ruano Angulo said here today the Mexican Navy is not a political power group. The previous statement was made on the high seas while he was reviewing the Mexican fleet's 33 ships, 28 aircraft, and 16 helicopters and representing President Carlos Salinas de Gortari during the events commemorating Mexican Navy Day.

He added he had been able during his term to modernize the Mexican Navy's 59 units, some of which had been in use for more than 50 years, since World War II.

The admiral said this modernization has allowed the ships to be in top condition to perform duties such as safekeeping the Mexican coastal waters and combating drug trafficking and illegal fishing. In this respect, he said fleets had efficiency increased by 85 percent.

Accompanied by Governor Ruben Figueroa Alcocer and several Navy Secretariat officials, Ruano arrived at the Icacos Naval Base, boarded the flag ship *Jose Maria Vega*, and reviewed the 33 ships anchored three nautical miles from the shores of this tourism center. [passage omitted]

Chiapas Vote, Land, Rights Discussed

95CA0039A Mexico City PROCESO in Spanish No. 940, 7 Nov 94 pp 12, 14-19

[Report by Enrique Maza]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas—Ofelia Medina has analyzed the Chiapas elections and reached the conclusion "that not only were they not clean, but they were terribly fraudulent—cynically, aggressively, and humiliatingly so." A total of 117 different methods of committing fraud have been reported.

She says that Eduardo Robledo Rincon, the Institutional Revolutionary Party (PRI) candidate for governor who was declared the winner, "should resign, if he has any dignity left," and that new elections should be called. The irregularities were astounding. It is time to act, because democracy is not something you think about. it is something you exercise. It is a matter of dignity not to allow yourself to be governed by criminals.

She explains her reasoning: "I have been working formally for the human rights of the Indian peoples of Mexico for 10 years. We formed the Committee of Solidarity with Excluded Ethnic Groups and began working in defense of the Indians who are being held in the country's prisons. From then until now."

Ofelia Medina was born in Merida, Yucatan, in 1950. She is an actress on the stage and screen (both television and movies) as well as a dancer. She studied at the INBA and at Lee Strasberg's workshop in the United States. Since 1967 she has appeared in a variety of plays, such as "El Verano" [Summer], "El Evangelio Segun San Juan" [The Gospel According to St. John], "Los Insectos" [Insects], "Los Derechos de la Mujer" [Women's Rights], "Lastima Que Sea Puta" [Too Bad She's a Whore], "Exiliados" [Exiles], "La Dama Boba" [The Silly Lady], "Traicion" [Treason], "Donna Giovanni," "Frivolidades" [Frivolities], and "Fandango."

She has been a movie actress since 1968, appearing in films such as "Pax," "Patsy Mi Amor" [Patsy My Love], "El Aguila Descalza" [The Barefoot Eagle], "Paraiso" [Paradise], "Las Piranas Aman en Cuaresma" [Piranhas Make Love During Lent], "Muneca Reina" [Queen Doll], "Uno y Medio Contra el Mundo" [One and a Half Against the World], "Las Figuras de Arena" [Sand Figures], "De que Color es el Viento?" [What Color Is the Wind?], "The Big Fix," "La Cabeza de la Hidra" [The Hydra Head], and "Frida." In 1969 she won her first acting award as female lead in "Patsy mi Amor." In 1972, she won the "Diosa de Plata" [Silver Goddess] and "El Heraldo" [Herald] Actress of the Year awards for her work in "Paraiso." In 1984, she won an Ariel Best Actress award for "Frida," and she also won awards at film festivals in Cuba, Colombia, and Turkey.

On television, she appeared in the series "Cosa juzgada" [Done Deal] and "La Santa" [The Saint], in the teleplay "Doce y Una, Trece" [Twelve Plus One, Thirteen], and in the following comedies: "Lucia Sombra" [Lucy Shadow] in 1971, for which she won a radio and television critics' award; "La Senora Joven" [The Young Lady]; "La Hiena" [The Hyena]; "Paloma" [Dove], for which she won the "Heraldo" award in 1975; "Rina," for which she won the "Heraldo" in 1977; "Toda una Vida" [A Whole Life]; and "La Gloria y el Infierno" [Glory and Hell].

An environmentalist, she belongs to the Group of 100, and in 1988 she was one of the founders of the Party of the Democratic Revolution (PRD).

She was elected by the Chiapas Indian nations as the people's attorney for electoral matters: "I am attorney for electoral matters for the Chiapan people, the most difficult role I have ever played in my life."

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The actress was interviewed on 15 October of this year in San Cristobal de las Casas by Dr. Martin de la Rosa Medellin, Tijuana representative of the Mexican United Nations Association (AMNU). The interview is part of the as-yet unedited film that will be made into an AMNU documentary produced by Miguel Rico of Enfoque Films.

In the question-and-answer session, Ofelia Medina analyzes the Chiapas elections. Here are her excerpted opinions:

"My point of view on the August elections in Chiapas is very specific, because we were in charge of organizing the balloting only in the area controlled by the Zapatist National Liberation Army (EZLN). It was such an arduous task that it is difficult for me to express an opinion about any other place. What happened in this area was exemplary, since there was less political and electoral pressure here, precisely because of the situation. That is why the election results for this area were in stark contrast to those of the rest of the state and the rest of the country. That was our experience. And because it was so difficult, we had to concentrate. I was unable to learn much about the elections in other places.

"I do think, however, that what happened in this area, because it was so different, is also exemplary. In view of the irregularities that were perpetrated and that occurred in the state, the Democratic Assembly of the Chiapan People, an association that encompasses hundreds of nongovernmental peasant Indian organizations, and the National Women's Convention decided that it was necessary to create a forum where all of this dissent and all of these complaints could be channeled. That was why the Office of the Attorney for Electoral Matters, the Electoral Tribunal, and the Jury of the People were established. These three bodies make it possible to channel this dissent and provide an outlet, thus contributing to peace. They are something that is both innovative and traditional. That is what we are involved in now, the Tribunal and the Office of the Attorney for Electoral Matters. I am attorney for electoral matters for the Chiapan people, the most difficult role I have ever played in my life.

"There has been a tremendous amount of dissent and complaints. So far we have traveled to 11 municipality main towns. All we have left is Tuxtla Gutierrez, where we will go tomorrow, 16 October, and then we will have toured all the areas in the state. To date we have received more than 2,000 assembly declarations [actas de asambleas]. It should be noted that the people here consider themselves as part of a unit, unlike us. We have lost all sense of commonality, of community. In our cities there is no sense of unity. Here, in contrast, people still live in communities and make their decisions communally. That is one of the most important lessons we have learned and that we have seen put into practice. Here there is a sense of commonality and an example of democracy. Democracy here is not just something you talk about, it is something you exercise, which is exemplary.

"Taking all of that into consideration, we have received more than 2,000 declarations, and I think that by the deadline on 24 October, we will have received a lot more. There are individual declarations, which are collected in cities such as Tapachula and Comitan, and there are community declarations, which come from the Indian nations.

"Because of the number of irregularities, I would not say these elections have not been clean, I would say they have been terribly fraudulent—cynically, aggressively, humiliatingly so for those at the receiving end. The lower the economic level of the people, the more humiliations and threats they have suffered, the more blatant violations of their human rights.

"We will not render a verdict, because that is up to the Jury of the People. But the number of declarations we have seen is already enough to justify annulling the election. The percentage of voting booths where challenges are in order is tremendous.

"The process has been planned this way: The Office of the Attorney for Electoral Matters collects the complaints, protests, and charges. Then it studies and classifies them. We have truly first-class technical and logistical support, with people who specialize in studying fraud. Given that it is so common, there are even studies on it.

"These people have conducted a computerized analysis, voting booth by voting booth. In Chiapas there were some 3,050 booths. With the declarations, we can tell which booth each complaint involved. We already have the classification of fraudulent acts. We have recorded 117 different types of fraud in this state: bribery, threats, failure to observe balloting secrecy, and so on—117 types of fraud. Each declaration is reviewed. And on each one, in the corner we write the type of crime or crimes committed—6, 8, 44, etc.—and the number of irregularities. Then we look to see which voting booth was involved, and for each voting booth we write down the number of irregularities, in accordance with the percentage and the severity. Because there are serious acts of fraud and there are minor acts of fraud, and they can occur before, during, and after; there are administrative violations, and there are criminal violations."

Crimes and Criminals

"We indicate not only what crimes were committed and whether the election should be annulled, but also who the perpetrators were. That is extremely important, because it is a matter of dignity to no longer be governed by criminals. Unfortunately, in our country the majority of people in government are criminals, and we are not just talking about electoral fraud.

"The complaints are sent to the Tribunal, whose members are Mariclaire Acosta, Carlos Monsivais, Carlos Martinez Assad, Gustavo Esteva, and Juan Banuelos. For now. They conduct a preliminary analysis, a preliminary study and a proposition, which will be submitted to the Jury of the People.

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"The Jury is made up of one or more members from each municipality in the state. They receive this information from the Office of the Attorney for Electoral Matters and the Electoral Tribunal, and they are the ones who render a verdict on what should be done with the information.

"The Jury must investigate the electoral process, respond to the protests, and impose a penalty, or ask that a penalty be imposed on the perpetrators of electoral fraud.

"The work is so voluminous and dense that it takes a long time. That is why we do not yet have a date for the Jury's verdict. There is a tremendous amount of isolation in this state. To get to the places where the fraud is most palpable, often you have to travel on foot for hours, even days. You have to go, you have to wait, and you have to get information. Hence the need for a little more time for the submission of the declarations.

"The ones we have received have already been processed. We are up to date. But we feel that many more have yet to be received. And after the 24 October deadline, the Jury will begin working, until it reaches a conclusion.

"We do not agree that Robledo should take office as governor. He should resign, if he has a shred of dignity left. The way to proceed would be to call new elections. But it is up to the Jury of the People to decide that. We are convinced that unpopular decisions lead to this unjust system.

"I would not say that Chiapas is in a state of ungovernability as far as the PRI is concerned. There are many Chiapases. Chiapas has many very different situations. What happens in Tuxtla or in Tapachula has nothing to do with what happens in Chanal, or in Simojovel, or in Chinalo. There is a great diversity of situations and of problems.

"There would be no great threat to peace if the government did not respond. Peace is already seriously threatened. The government's intransigent attitude is what has brought us to this point.

"The amount of weaponry that is present in this state is intolerable; it amounts to an assault, a violation of the human rights of citizens who want to live in peace. There are supposedly more than 50,000 troops of the Mexican National Army. It is an operation appropriate for a major war, not for unleashing against ourselves.

"This is a matter of national dignity. How should we think about it? I believe we should stop thinking. I believe everything is already thought out, that people's consciences are clear. I believe it is time to take action. But I could not say what action should be taken, because each person's circumstances are different. But our acts, our deeds, should be aimed at salvaging our lost dignity. Each person will go about that in a different way.

"I do not have my own way. Finally, I have realized that we have a common way. By finding yourself, recognizing yourself in brothers and sisters, that is how your conscience is born. I am not looking for a path that will appear just for me. On the contrary, I am trying to see where the path already is. And I find that the EZLN's pro-dignity stance is, at this point, consistent with what is happening in the state, and I find that it is a path that seeks peace."

War for Peace

"This is the only war I know of that is seeking peace and the elimination of the war itself. The demands of the Zapatist Army include the demands of those Mexicans who have dignity.

"They have emphasized that to avoid war and the armed struggle, it is necessary to raise society's consciousness so that it will act as a peaceful army. That is true. The Office of the Attorney for Electoral Matters, the Electoral Tribunal, and the Jury of the People are part of that peaceful resistance, that civil resistance.

"We are trying to respond to the demands of those who have the least, and we are trying to expand the number of forums available and to make sure they are united. And to make sure that their goal is the end of the war, the end of theZapatist Army, but not of Zapatism, of neo-Zapatism, as an idea, as a path to true progress, to true modernity.

"Because contemporary modernity is exclusive. It cannot be modernity. What the Mexican Government is trying to accomplish is modernity for a small segment of the population, to the exclusion of the others. That is very old. That is medieval. That is a way of viewing life that is not even colonial, it is medieval. Under those circumstances, we are just barely reaching the transition from medieval to colonial. That strikes us as very old.

"That is why we are in favor of a modernity based on the true Indian past, that is, on true equality. Our purpose is to do away with the Zapatist National Liberation Army. Indian tradition teaches us how democracy is exercised, not how people think of democracy or how you can do everything to make it appear that you are engaging in democracy when in fact you are doing just the opposite.

"The Indian nations of Mexico are teaching us a lesson. If we would only open our eyes and see how they have survived with their own form of government, how no one in a community makes a decision on his own, how no one dares to take too much for himself or to violate the environment. The communities have set a national example of democracy, civility, and modernity, in Chiapas, in this day and age.

"We have seen it in the Office of the Attorney for Electoral Matters. Although people have to walk for days and leave their 'milpa,' their house, and their work, they get together, they arrive at an assembly declaration, they scrape together the few centavos they have and they send

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a representative of their community to deliver the declaration. That is not done in our cities. Democracy is not an ideal, it is a practice. You cannot be democratic if you do not behave democratically. We are no longer at the thinking stage; we know that we have to take action.

"In the current situation of injustice, although it is not so extreme everywhere, we are all accomplices. We privileged few are accomplices in genocide, because we have never asked what happens to the money we pay in taxes to the public treasury, or what is done with it. I know the answer: It kills.

"The Mexican Army has a huge arsenal. The country spends more on weaponry than on health. That is a fact. It is real. They themselves say so. Add up the figures. Read it. Look at what the president reports is spent on weapons, on the Army, on the police, on the other police, and on the other police, and on the other police, on the white guards, on the methods of perpetrating violence. Is it democracy? Is it the people? Is it peace? Is that peace?

"The country spends more on weaponry than on health. That is the truth. And we keep paying our taxes without asking where the money goes. That is how we are contributing to two things: one, genocide, and two, to the perpetuation of the party in power. Because with the money we pay, with our taxes, they are buying votes for the party in power. We all know that. And if we do not act accordingly, we will bear historic responsibility."

That is the end of Ofelia Medina's statement. After the deadline for submitting declarations, the Electoral Tribunal of the Chiapan People issued its ruling on 31 October. It was a civil ruling in which it called for the repudiation of the results of the 21 August elections because of the crimes and irregularities that were found in 1,720 voting booths, more than half of the total number installed in the state.

The Jury of the People met to render its final verdict. It recommended that the PRI candidate Eduardo Robledo, who had been declared the winner, be repudiated because his election was fraudulent. It recommended that PRD candidate Amado Avendano be declared elected, because he obtained the majority of the votes actually cast. And it recommended that the electoral criminals be dealt with according to law.

It resolved to repudiate the elections for lack of moral and political legitimacy and legality; to move immediately to establish a political arena to repair the damages done to the people and prevent any escalation of the war; to establish a transition government and convene a social and political dialogue to ensure new, clean elections and guarantee that electoral crimes do not go unpunished.

In addition to the names mentioned by Ofelia Medina, the members of the Electoral Tribunal also included Luis Nava Calvillo, Octavio Rodriguez Araujo, Maria Elena Torres, Gloria Aidee Rojas Avendano, Paulina Fernandez, and Diana Damian.

The most frequent crimes were: illegal trafficking in ballots, at 1,007 voting booths; purchase of votes, threats and pressure, at 424 booths; multiple or improper voting, at 420 booths; tampering with results and destruction of ballots, at 399 booths; hindering suffrage, at 374 booths; violation of balloting secrecy, at 227 booths; supplanting electoral officials or ejection of party representatives, at 144 booths; illegal propaganda, at 85 booths; illegal handling of electoral packets, at 80 booths; and violence or aggression, at 37 booths. Many of these irregularities constitute crimes, as defined in the Federal Penal Code (410 and 413) and the Electoral Law of Chiapas (228 and 236).

The Jury of the People issued guilty verdicts on seven [as published] charges: improper use of material, financial, and human resources by the PRI, violation of the legal order, denial of challenges to election results, hindrance to efforts to resolve the armed conflict, plundering of natural and cultural wealth, and maintaining a state of exploitation. The names of the criminals are being kept secret until charges are filed in court.

If the government ignores the people's rulings and verdicts, the time of peace will be over and there will be confrontations that may end in war, not just locally but nationally. This was the conclusion reached by the Electoral Tribunal, the Jury of the People, and the State Democratic Assembly of the Chiapan People.

[Box, p 15]

So Close and Yet So Far, The Inauguration of the "Governor Elect"

[Report by Guillermo Correa and Julio Cesar Lopez]

San Cristobal de las Casas—"Do something for your country, kill a PRI supporter," says the graffiti that has appeared throughout the city. This city and others show signs of the political turmoil that is bubbling throughout the state as the 8 December inauguration of Governor-elect Eduardo Robledo Rincon draws near.

People in social and political groups argue that the PRI electoral victory "is the product of fraud." They base their accusation on the more than 1,500 irregularities documented by the Office of the Attorney for Electoral Matters for the Chiapan People (PEPCH), which is headed by actress Ofelia Medina.

The members of the State Tribunal of the Chiapan People (TEPCH), Gustavo Esteva, Mariclaire Acosta, Diana Damian, Paulina Fernandez, Luis Nava Calvillo, Aidee Rojas Avendano, Octavio Rodriguez Araujo, Maria Elena Torres, and Carlos Martinez Assad, described the events of the recent elections as a "colossal fraud."

As the date of the gubernatorial inauguration approaches, the political crisis that this state has been experiencing since the first of the year is growing worse, threatening the fragile cease-fire between the Zapatist National Liberation Army (EZLN) and the federal government.

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Dozens of Indian and peasant organizations have taken over the best ranches and haciendas in Chiapas, which until recently had been in the hands of the "caciques and foreigners."

So far, according to the Regional Stockmen's Union, more than 500 properties have been invaded. In response, on Sunday 30 October about 200 heavily armed "white guards" kidnapped 50 peasants in the municipality of Chicomuselo. Four of them have disappeared, says the State Indian and Peasant Council (CEOIC).

The Cardenist Peasant Federation (CCC) is demanding fulfillment of an agreement signed with Interim Governor Javier Lopez Moreno under which 5,500 hectares was to be turned over. The federation's method of protesting was to "seize" a building where six government offices are housed in the Chiapan capital.

Even the official CEOIC, which is made up of PRI peasant groups, has come out against the governor, because "we were told that we would be given the land, and we are still waiting," say the protesters who have taken up positions along the esplanade across from the Government Palace.

The Regional Council of Indian and Peasant Organizations of the Soconusco (CROICS) announced last week a massive "recovery" of lands that was made necessary by the failure to fulfill other agreements entered into with the authorities.

In the La Fraylesca area, the Francisco Villa Popular Peasant Union (UCPFV) complained that "the German Lawrenz Hudler and the Orantes Balbuena family" are organizing shock groups to evict the peasants who have seized the properties known as "Liquidambar," "Prusia," "Sayula," and "Las Chicharras" in the municipality of Angel Albino Corzo.

Now, as the coffee harvest draws near (he has nearly 2,000 hectares planted in coffee), peasants say landowner Lawrenz Hudler is getting ready to evict the squatters, who are claiming the land is theirs "after having worked it for generations as peons living in huts."

While this is happening in the state, more than 100 ranchers are staging a hunger strike begun in Mexico City on 31 October to protest the invasion of their land and the destruction of their capital goods. [passage omitted]

[Box, p 16]

In Chiapas, Bloody Intolerance; Uprising Reveals the Real Mexico: Miguel Agustin Pro Juarez Center

[Report by Enrique Maza]

At the end of the bishops' assembly in Cuernavaca on Friday 28 October, the bishop of San Cristobal de las Casas and mediator in the Chiapas peace talks, Samuel Ruiz, stated that "the war in Chiapas was not against the landowners, but against the Army," and that "the war is not over" because "the underlying issue has not been dealt with" and there is still "a dangerous situation."

"What exploded in Chiapas was not a local issue, but the limit to what the Indians and peasants of the country can tolerate," he said.

Jesuit priest Geronimo Hernandez, falsely accused by the newspaper SUMMA of being Deputy Commander Marcos, summed up the situation in this way:

"In Chiapas, animals have more rights than the Indians do. Livestock can get a brand or an invoice in a matter of minutes, while it takes an Indian three or four years to get his birth certificate. In Chiapas it is illegal to hunt deer in the woods, but peasants and Indians are killed indiscriminately in towns, villages, and jails. In Chiapas, a dog can bark freely out in the woods, a coyote can howl in the jungle, but an old man cannot ask for drinking water outside city hall, because he will be accused of terrorism."

The Miguel Agustin Pro Juarez Human Rights Center (PRODH), which is run by Jesuits, diagnoses the situation: "Murders, disappearances, illegal arrests, kidnappings, solitary confinement, beatings, torture, and harassment make it obvious that outrageous abuse is going on: The nature of the neoliberal program (of the present government) and the mechanisms of expropriation and aggression practiced by regional and local power groups are human rights violations par excellence. We are talking about the imposition of a program of economic conditions that is a constant threat to their constitutional rights, their customs, uses, traditions and unique forms of organization."

It contends that "in this silent and prolonged war, we see the roots of the Zapatist armed uprising" that "exposed the real Mexico nationally and internationally" and "cast doubt on the Mexican Government's economic, political, and social agenda."

It goes on to discuss the participation of the Federal Army in "the bloody intolerance": "The most atrocious aspects of authoritarianism, intolerance, and repression were shown. Sending armed troops and carrying out military operations resulted in an accumulation of serious violations of human rights and international humanitarian law."

The PRODH joins the "Full Rights for Everyone" National Network of Civic Organizations for Human Rights in denouncing the Army in its annual report.

"The cordoning off of the battle zone," it says, "reinforced recently by a much larger number of military troops and heavy armament, constitutes a permanent violation of the freedom of transit and other constitutional human rights, such as the principle of legality set forth in Article 16 of the Constitution, and the provisions of Article 1: Constitutional guarantees 'shall not be restricted or suspended except in the cases and under the conditions specified therein' (in the Constitution itself)."

The civilian population in the area was and is affected by the cordon, as "it was virtually held hostage or prevented from returning home, which had serious social and

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economic consequences." Also affected were "people who wanted to enter the area, primarily members of the mass media and representatives of human rights organizations and other social agencies."

"The cordon, above all, had the effect of fomenting and permitting human rights violations in the area, which were perpetrated by the authorities without being witnessed by any third parties."

In several municipalities, civilian authorities were supplanted by the military, in violation of Article 129 of the Constitution. The military operation involved indiscriminate air attacks, which affected the civilian population. The Secretariat of National Defense admits "strafing and firing missiles from the air." There was alarm, scandal, and protests, and then National Defense denied using "bombs," but by that time "numerous statements had been gathered by the press and by nongovernmental organizations."

Civilians were harassed in the effort to smoke out guerrillas, "and there was even discrimination in delivering food to women who were not accompanied by their husbands."

A total of 208 persons filed complaints against the Army; 143 persons were victims of Army abuse; 18 extrajudicial executions are known to have occurred; of 133 persons arrested arbitrarily, 90 percent were tortured; and there are reports of torture, of cruel, inhumane, and degrading treatment, of disappearances, and of secret mass graves.

"The Mexican Government devised a mechanism for self-pardon in the Amnesty Law of 22 January, and it tried to establish its own version of the facts by controlling the information, or disinformation, released by the National Human Rights Commission. Unfortunately, this commission, which is subject to the dictates of the executive branch, was overwhelmed by the facts and by the civil mobilization; it suffered from major credibility gaps, and it was even cited by international human rights organizations as an accomplice in the impunity."

Indian representatives of Chiapas sum up the situation: "The peace that comes from the barrels of the Mexican Army's rifles and tanks, which are closing in on our brothers in the Zapatist National Liberation Army (EZLN), is not the peace we want. The peace of the hacienda, of oppression, hunger, unschooled children, homeless families, landless peasants, death by malnutrition, and deprivation of rights, we do not want that peace, because we have known it for centuries as the peace of our deaths and violence against the people."

Chiapas Election-Related Concerns Reported

95CA0039B Mexico City PROCESO in Spanish No. 940, 7 Nov 94 p 81

[Undated letter to the editor]

[FBIS Translated Text]

Elections in Chiapas

Editor:

The Civic Alliance Observation 94, the Citizen Movement for Democracy, the Civic Arena for Peace (ESPAZ), and the Convergence of Civic Organizations for Democracy hereby express our absolute support for the work of the Office of the Attorney for Electoral Matters for the Chiapan People. It was the people of Chiapas themselves who asked for this office to be established in a serious, legal, and peaceful action for the sole purpose of finding out the electoral truth by means of a citizen investigation.

We recognize the professional, arduous, and disinterested work carried out by Ofelia Medina, attorney for electoral matters; Carlos Jurado (Chiapas Arts Award), assistant attorney for electoral matters; and all the people who joined their team from a variety of organizations, among them the undersigned.

We express our repudiation for any actions that threaten possible peaceful solutions to the conflicts in Chiapas, including the following:

1. The emergence of the Supreme Electoral Tribunal of the Chiapan People—whose origin is rather obscure—which has ordered actions to intimidate and hinder the work of the Office of the Attorney for Electoral Matters, demanding the information and statements it has collected and threatening to conduct a people's trial against Ofelia Medina on charges of bias.
2. The attacks on and intimidation of persons supporting the Office of the Attorney for Electoral Matters, such as the shots fired on the building of the Las Casas Data Processing Center, run by Juan Jose Borrego.

We urge the national and state authorities, the political forces, and each and every Chiapan to set aside personal or group interests and reflect on the following:

1. The importance of publicizing the verdict issued by the Jury of the People and the ruling handed down by the Tribunal of the Chiapan People. These decisions allow the civic, impartial, and nonpartisan work of the Office of the Attorney for Electoral Matters without precipitating trials that may be erroneous and lead to violence, which would serve no one's interests and would harm the entire nation.

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2. When an electoral process results in as many irregularities as the Chiapas one did, as observed by the Civic Alliance, true political relationships are falsified and the real forces of the state are not reflected, which provokes post-electoral conflicts and increases instability in the state. A clear idea of what happened in the Chiapas elections will reveal the transparent map of local political tendencies. This clarity can upen up possibilities for negotiations for pacification and democracy. Keeping information hidden fuels the conflict. Working together to establish conditions that make it possible to speak of peace with justice in the state of Chiapas is the purpose of the electoral forums of the Chiapan people.

Sincerely,

Civic Alliance/Observation 94, Citizen Movement for Democracy, Civic Arena for Peace (ESPAZ), Convergence of Civic Organizations for Democracy, Luz Rosales Esteva, Rafael Reygadas, Martha Perez, Martha Recasens, Emilienne de Leon, Rogelio Gomez Hermosillo, Sergio Zermeno, Manuel Canto, Jorge Berry, Jacoba N. de Lobo (Nuevo Leon), Mercedes Murillo de Esquer (Sinaloa), Federico Staines, Cecilia Loria, Eduardo Clave, Carlos Nunez (Jalisco), Andrea Saenz Arroyo (Baja California), Monique Mitastein, Carlos Ortega, Maricarmen Mendoza, Teresa Rendon, Irma Lara, Guillermo Vela, and Patricia McCarthy (Yucatan)

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us," he indicated with regard to Latin American aspirations. According to the Salvadoran minister, the securing of a hemispheric trade treaty at the Summit of the Americas to be held on 9-11 December is not a short-term goal; however, its discussion should be initiated as a goal to be achieved.

Foreign Minister Interviewed on Miami Summit

PA2511152494 San Salvador Canal Dos Television in Spanish 1900 GMT 24 Nov 94

[Interview with Foreign Minister Oscar Santamaria by an unidentified station reporter; place and date not given; from "El Salvador Telepress" newscast—recorded]

[FBIS Translated Text] [Reporter] Great importance is being placed on the convergence of positions among the Central American nations in advance of such an auspicious opportunity as the soon-to-be-held hemispheric summit. To a great extent, the success of Central America's singular proposal will depend on how unified it is. Is there something else the presidents will recommend in addition to the proposal that has already been drafted by the foreign ministers?

[Santamaria] We believe that, within this framework of participation, all Central American countries are preparing their proposals in advance. Because of the significance of the event, we are adopting a firm position to prevent us from having to improvise. The Rio Group, the member-countries of Caricom [Caribbean Common Market], and the Central American countries are acting accordingly. We expect the United States to consider the position we have adopted.

We must recall there has not been a similar meeting for the past 27 or 28 years. The last meeting like this one was held in Punta del Este in 1965. This year, we are doing our best to participate in this Miami meeting with the same purpose in mind. It has not been ruled out that during the presidential summit—once the event gets under way—other topics of interest may be proposed by the presidents to be discussed with the U.S. President. We are not viewing the Miami summit as an isolated event, but as part of a process—a starting point that will lead to a series of actions and steps the Latin American countries will follow in their relations with the United States in the coming decade.

Deputies View Judicial Branch's Probity Section

PA2511000594 San Salvador Canal Doce Television in Spanish 0100 GMT 24 Nov 94

[Report by William Melendez; from the "Up-to-Date" newscast]

[FBIS Translated Text] Opposition deputies said today the Supreme Court has a true challenge in its hands: reactivating the judicial branch's Probity Section [Seccion de Probidad], which is in charge of investigating cases of illegal enrichment involving government officials.

The Supreme Court president publicly recognized on 22 November that the Probity Section of that institution was inoperative and that a process would be initiated soon to make it operational in an effort to fight cases of illegal enrichment involving certain government officials.

Gerson Martinez, of the FMLN [Farabundo Marti National Liberation Front], and Miguel Espinal, of the Christian Democratic Party, have said this point truly is the Supreme Court's trial by fire:

[Begin recording] [Martinez] Purging the judges and operating and reorganizing the Probity Section as a true probity court are really the two biggest challenges of the Supreme Court.

[Espinal] It is not a matter here of increasing the number of desks or the number of employees; it is a matter of carrying out in- depth investigations to determine whether public officials are involved in cases of illegal enrichment in the performance of their duties. [end recording]

It is clear for these two deputies that the previous judicial administrations were accomplices in acts of corruption and illegal enrichment in which many government officials were involved. It is clear the governments in power consented to the procedures carried out at the Probity Section. The ruling party does not share this viewpoint but agrees the section should be strengthened:

[Begin unidentified speaker recording] If this matter is going to be a measure to end doubts, it will be welcomed. I believe what all Salvadorans want is to improve the justice system. I repeat, as deputies and as members of the Finance Commission, we are going to try to give the appropriate support to them so we can have more specific results within a year. [end recording]

There are deputies here at the Legislative Assembly who have not yet submitted their written declaration of assets to the Probity Section, a point that makes one think the law on illegal enrichment has always been violated by all.

Guatemala

Minugua Regional Office Established

PA2511024594 Mexico City NOTIMEX in Spanish 2050 GMT 23 Nov 94

[FBIS Translated Text] Guatemala City, 23 Nov (NOTIMEX)—The first regional office of the United Nations Mission for Guatemala [Mision de Naciones Unidas para Guatemala] (Minugua) was established in this city today to receive reports on human rights violations coming from five departments in the country.

Minugua Director Leonardo Franco installed the office and said this mission, in which Brazilian citizen Leila Lima will act as coordinator, will have jurisdiction in

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Guatemala's departments of Jutiapa and Jalapa, in the east, and Escuintla and Santa Rosa Departments, in the south.

He said, upon conclusion of investigations on reports of violations of constitutional rights, each coordinator in those departments should give him a report that will then be remitted to UN Secretary General Butrus Butrus-Ghali.

"We expect to earn the people's trust so they may approach us to submit their reports," said the coordinator of the first Minugua regional office in the Central American country.

He said the office will handle violations of the right to live, freedom of expression, freedom to circulate, safety, and missing people, among other anomalies.

Franco said Minugua will have eight regional offices and five subregional offices that will have observers with mobile equipment to visit places where constitutional rights violations are detected.

He announced other regional offices will be installed in the northern departments of El Quiche, Alta Verapaz, and Peten; the western departments of Quetzaltenango, Solola, and Huehuetenango; and the eastern department of Zacapa.

The offices will operate 24 hours a day, seven days a week. The reports will be confidential in nature, and the offices will have three military officers who will act as liaison between the observers, the Army, and the guerrilla groups.

Minugua was officially established in Guatemala City on 24 November, and it is expected that the second regional office will be inaugurated in El Quiche, where the largest number of human rights violations have been registered.

The UN mission is part of the Overall Human Rights Agreement signed between the government and the Guatemalan National Revolutionary Unity (URNG) on 29 March 1993, and its function will be to supervise the implementation of that agreement.

Minister, Salvadoran Counterpart Work To Improve Trade

PA2611232394 Guatemala City SIGLO VEINTIUNO in Spanish 24 Nov 94 p 5

[FBIS Translated Text] The Guatemalan and Salvadoran economics ministers met last Tuesday [22 November] and established a working agenda to address at the highest levels the obstacles that persist in economic relations.

Guatemalan Economics Minister Eduardo Gonzalez Castillo described the meeting with his Salvadoran counterpart, Eduardo Zablah, as a step toward improving regional trade.

According to Gonzalez, the integration directors agreed during the meeting that the two countries should make an inventory of tariff and nontariff topics and procedures that are currently hampering bilateral commerce.

The Guatemalan deputy economics minister and the Salvadoran official negotiator were present at the meeting to assist the ministers on the topics of most interest, Gonzalez stated.

The official announced that they had agreed to continue to hold periodic meetings at the highest level to analyze any problems that may arise and seek immediate solutions.

The official felt this is a first step in reconciling policies, in this case tariffs, and to continue later with other topics of vital importance for the region and bilateral relations in Central America.

In this respect, he stated that next fiscal policy will be coordinated. For that reason, the respective finance and treasury ministers will schedule meetings and their corresponding agendas in the following weeks.

In addition, the economy minister dismissed remarks made recently in Costa Rica by SIECA [Secretariat of Central American Economic Integration] Secretary General Gerardo Zepeda, who said the free trade agreement signed by Mexico and Costa Rica could serve as a basis for the rest of the region.

Gonzalez said Guatemala's policy is that Central American countries should negotiate with third parties as a bloc, not individually.

He recalled that the free trade agreement Costa Rica signed with Mexico is appropriate for Costa Rica, but not necessarily for other Central American countries, which is why it would not be viable to turn it into a multilateral pact.

He stated that he respects the treaty Costa Rica signed with Mexico, and is not describing it as good or bad, but believes it applies to very unique situations, a fact which will not allow it to be made into a multilateral pact, he stated.

In addition, he noted that the region's productive sectors are entitled to negotiate and seek a stance favorable to their interests, something that would not be possible with Zepeda's proposal.

President Comments on Human Rights Official

PA2611214194 Guatemala City Teleonce Television in Spanish 1900 GMT 24 Nov 94

[News conference by President Ramiro De Leon Carpio with unidentified reporters; place and date not given; from the "Telepress" newscast; recorded—broadcast in progress]

[FBIS Translated Text] [De Leon] ...we have established mechanisms for investigation: the attorney general, the

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courts where these cases are processed, the Office of the Ombudsman for Human Rights, which is the government institution in charge of guaranteeing and promoting respect for human rights, and a specific commission I have created to complement the corresponding investigations. I respect Mrs. Monica Pinto's opinion. I believe, however, we are waiting to see at this time the results of mechanisms we have implemented in the country. She can reach her own conclusions based on what she has seen during the few hours she has been in Guatemala. Responsibilities are established in a constitutional state of law, however, through legal mechanisms and will be followed by the corresponding punishment, which could be disciplinary, administrative, or penal measures. There are national institutions established for that purpose.

[Reporter] Mrs. Pinto has said the government has not complied with her recommendations on the dissolution of the Civilian Self-Defense Patrols [PAC].

[De Leon] I will meet with her again on 25 November, and I will deliver to her the complete list of recommendations. I am taking advantage of this opportunity to mention that it was said yesterday that certain recommendations were not made by her. I believe this point can be easily explained. There are also recommendations from the Inter-American Human Rights Court that were included. I do not believe she will mind if more recommendations are added, because they are all positive. I believe it is very significant that the Defense Ministry has also included recommendations from Professor (?Mouchatt) and other international organizations instead of circumscribing itself to her recommendations. I do not believe this action is unnecessary; on the contrary, I would have applauded the Defense Ministry's attitude in her place.

You asked about noncompliance. In my opinion, this point can be determined after reading all the reports and reviewing the complete lists, which are very graphic and will also be delivered to the press, on her recommendations, the short, medium, and long term actions that should be taken, and the results. The press will be informed tomorrow of the advancements, which recommendations were followed and which were not.

In the case of the PAC, the recommendation was to dissolve them. As the defense minister has said, however, the PAC are necessary to stop the advancement of the subversive groups and guerrillas as long as there are areas where there are clashes, combats, terrorist actions by the rebels. I always have maintained this position, even when I was human rights ombudsman. The PAC have been dissolved in areas where there is no guerrilla presence. They can be organized but not under military control or with weapons but, rather, to promote development through committees for potable water and electricity in their own communities.

We hope this move will happen in the future. anyone asking us at the international or domestic level at this time to dissolve the PAC is not being realistic; therefore, I must say in that sense, that recommendation has not been complied with and will not be complied with as long as there is a guerrilla presence and clashes continue.

Last year, in a symbolic act, a member of this patrol handed me a rifle in the presence of 40,000 PAC members, as a signal that they will hand over all their weapons the moment peace is signed. We have made great strides, since in many zones —and these are the zones Dr. Monica Pinto should visit—patrols have been dissolved because there is no need for them. They will continue to exist, however, in the zones where subversives are active. What we pledged to do in the respective agreement was not to establish more of them—and we have abided by it—unless they are necessary. Fortunately, in general, there has been no need to do that. I reiterate, we have not heeded the recommendation, nor are we going to because the guerrillas are active. When they are no longer active, when the cease-fire becomes effective, when the rebel forces disband, when the internal armed conflict ceases to exist, there will be no need for the PAC to exist, and then they will be freely reorganized for other purposes.

[Reporter] [words indistinct] in the first review, do you think there is time to consult those (?sectors) [words indistinct]?

[De Leon] There has to be time, because there is a constitutional deadline and the National Congress is working around the clock, primarily the Public Finances Committee, which has my full respect and recognition in this regard and which is not just reviewing at the committee level—rather, it has already reviewed it—the budget bill that the executive submitted but also the fiscal laws' initiatives that are strictly related to that budget. I am referring to the fiscal laws but not the tax code, which does not need to be reviewed now but later, although the code is the coercive and fundamental instrument to punish tax dodgers. Many people evade paying taxes. I do think, however, that since the Public Finance Committee submitted its findings. and they were approved in the first debate, the lawmakers have sufficient time. They are going to have to work very hard, but the Constitution is very clear, it has to be approved, as the National Congress deems best, on 30 November at the latest. So, I am certain it will be approved, and in view of the process that has taken place, including even talks between the Finance Ministry and the Public Finance Committee and district deputies, the method employed and the consultation process were good. I think for the first time in a long time we have had a clear process. First, we consulted different segments of society, namely, the business, cooperative, and union segments. Afterward, the National Congress, through the Finance Committee carried out a consultation process. After the consultation process was conducted, the National Congress now has the responsibility of approving—in a manner it deems appropriate for the country—the revenues and spending budget, as well as the fiscal laws the executive has proposed.

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[Reporter] Will peace be signed in December, Mr. President?

[De Leon] I have repeatedly stated that our commitment, which we signed in January, remains firm not just regarding the signing of a peace accord this year but also regarding the timetable we agreed upon. We have to be realists, however, and we know that there is a two- or three-month delay, which we can make up, and we are most willing to recover the lost time, because as the popular saying goes: even saints weep over time lost. In this case, we weep even more because the longer a cease-fire or peace accord is not signed, a destructive device or a device that may be killing a human being may go off, a skirmish may take place, a mine planted by the rebels may go off; in sum, a terrorist act may take place at any moment. All of this leads to loss of human lives, orphans, widows, sorrow, more resentment, more hatred, more destruction, and more deaths.

For humanitarian reasons, not to mention economic reasons or those of social development, peace should come quickly. And we should keep our pledge and sign a peace accord before 31 December. If that is not achieved on 31 December, we will have to see...[pauses] As far as we are concerned, our political commitment is total and sincere to keep this pledge and work extraordinarily hard. We hope to reach next week an accord on such an important, complex, and difficult issue as the one on the Indian people's identity and rights. Other no less important issues remain pending but we hope to be able to still keep the pledge.

[Reporter] [words indistinct] says that the deadline set by the United Nations is 31 December and that it cannot be extended any further, that these must be signed because Jean Arnault [UN appointed mediator] will only be here until this date.

[De Leon] Well, this is precisely one of the commitments, besides the commitments [words indistinct] to comply with what we signed. Nevertheless, one must be realistic with regard to the delays. These are difficult and complex issues, and we will have to make an all-out effort. On our part, we do not spare any effort to comply with the commitments from now until 31 December, at least for the cease-fire.

[Reporter] The Guatemalan National Revolutionary Unity [URNG] said it would accept the Indians' presence at the negotiating table during this round. Do you think this will delay even more the process, because it is not possible to do this, to have this high ranking representation [words indistinct].

[De Leon] Yes, one would like to believe that it will have a true participation, but it appears to be an obstacle, an action to delay, an action that will prevent the signing of the agreement in the coming days. If this is so, these are obstacles placed by the URNG that the people can judge. They will see who truly has the political will and who does not. Nevertheless, I hope that these obstacles can be overcome and that they truly do not become, if I may repeat, an obstacle to signing the agreement. I believe that in the manner that the comings and goings have been conducted by the moderator, there is quite a bit of consensus on the most difficult points. No reason should exist for not signing the agreement. Now, if one is looking for obstacles, they will be found. Not only one, 10 can be found that will make the signing of the peace agreement difficult.

[Reporter] Has there been an evaluation of the harm recently caused to the nation by the Bamaca-Harbury case?

[De Leon] I believe the press has made an evaluation, there is a great deal of criticism on what is being done. What [word indistinct] the Bamaca case is doing-...[pauses] that was not in this government; that occurred in 1992. I repeat, that he is dead, he is dead. It is a fact. This is guaranteed. As is said in Latin: He who does not gripe is dead. He is dead, there is not doubt. After 7 June when I took office, he was already dead and therefore not jailed. This is what I understand. It would be different if I had to respond to the people and to the international community because he had been illegally jailed during my government. He was dead before. When did he die? What is logical about a combating commander, a guerrilla that has killed, who has possibly participated in terrorist actions that have killed about 20 or who knows how many persons, Guatemalans...[pauses] what is logical is that he died in combat. That was his area of activity, it appears that was his profession since he was a boy; he was born into subversion. It is logical that he died in combat and not in a monastery. He was not exactly religious.

This is an incident that has caused a great deal of harm to Guatemala and especially to the president of the republic, who has nothing to do with this. What is more, when I was ombudsman, I contributed to the investigation and I reached the conclusion that he was dead, rather that he had died. When did he die? Was it in combat? Did he commit suicide? What is clear is that he died, he is dead, he is not currently in jail nor has he been deprived of his liberty, nor has he been jailed during my government. We regret that such exaggerated publicity has been given to this incident. We should then do the same with the hundreds of thousands of persons who have died and who are buried some place in the republic, from both sides of the conflict. I reiterated that in general the subversives, the guerrillas usually bury their dead; they take them with them. If they are buried somewhere in the republic, they are not easy to find. Nevertheless, I reiterate what I have said. All legal mechanisms have been used; the Attorney General's Office, the Prosecutor's Office. The Supreme Court of Justice has decided to hand over the corresponding investigation to the maximum authority with regard to human rights, which is the ombudsman. The court has given a deadline for this investigation.

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We have appointed a commission, which will be directed and coordinated by Alvarez Guadamuz. He knows about the case because he was assistant ombudsman when Bamaca died. Therefore, all the legal mechanisms can be used. The press, commentaries, editorials, and columns have said that this has gone too far because we cannot continue giving so much publicity to a U.S. citizen. More and more copies of her book are being sold today due to the publicity she has received at the international and national level. In other words, there is a limit to this, and it must stop. We cannot go on talking about the Bamaca case. In any event, it is an historical fact that is part of the past, not the present.

[Reporter] INDE [National Institute of Electrification] labor groups are opposed to the appointment of the president and minister of [words indistinct].

[De Leon] They have opposed this like they have opposed other things. I have no comment.

[Reporter] [Words indistinct] charges of corruption?

[De Leon] If I had any evidence of corruption, I would not have appointed them. That's obvious. If those accusations were true, I would not have appointed them to those key positions. I appointed them because I believe they are qualified and capable of assuming these posts in a time of crisis. Of course I would not appoint them if I knew they were corrupt.

[Reporter] [Question indistinct]

[De Leon] I really do not know. I will meet with them. We believe in dialogue, particularly with labor organizations, with whom we maintain excellent relations based on dialogue, understanding, and discussion. I am going to meet with them to see if they have any grounds. Some of the things they are saying are not true. They mentioned someone by the name of Moller of Muller. I do not know that person, and he has not been appointed and will not be appointed. That is one thing. They claim he was appointed and say he is corrupt and linked to some organization. I have not met him and he has not been appointed and will not be appointed. This shows they are misinformed. I am always willing to meet with labor organizations. We have always maintained good relations with the union, and I will discuss this matter with them.

Foreign Minister on Human Rights, U.S. Trade Status

PA2611023594 Guatemala City Teleonce Television in Spanish 1900 GMT 24 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Foreign Minister Maritza Ruiz de Vielman met with Leonardo Franco, director of the UN human rights mission, and reiterated the government's willingness to cooperate closely with the human rights mission.

[Begin Ruiz recording] The human rights' commissioner has a very important task not only for the government but for the activities of the mission. He has come to make an initial contact with us. We met frequently with him when he visited Guatemala in April as a member of the preliminary mission that took the initial steps to define the mechanism, the type of mission, that would be appropriate and in keeping with the international human rights agreement. Fortunately, he has been officially appointed. The verification mission has been approved by the UN Assembly and has already begun its duties. This is a very auspicious moment not only for the Guatemalan Government but also for Guatemalans. This is a very significant step for the peace process.

The verification mission was included in one of the agreements signed by the government. The mission is visiting Guatemala at the government's invitation and has our full support and approval. Following direct instructions from the president, we are also willing to cooperate with them as much as possible. This visit is expressly intended to deal with some logistical and installation aspects. [end recording]

Foreign Minister Ruiz de Vielman also referred to certain bilateral aspects to be dealt with by the U.S. Government.

[Begin Ruiz] I do not believe that is the case. I believe the United States is an important commercial partner which is aware not only of geopolitical considerations regarding Central America but also of Guatemala. When the United States assesses the preferential trade issue, it will consider the country's general situation and will not allow its evaluation to be influenced by individual situations.

We are certain that the country's general situation will always lead to positive and beneficial results for Guatemala. We are also confident that the international community, particularly friendly countries such as the United States, will not allow an isolated case to result in a deleterious position to the country. This is so because these countries have closely witnessed the peace process; have become friends of the process; and have closely seen the efforts and the political resolve of President De Leon Carpio to advance the peace negotiations, strengthen democratic institutions, and achieve full validity of human rights. We hope their assessment will be objective, just, and comprehensive. Anyhow, I do not believe any measures will be taken against Guatemala's preferential trade status. [end recording]

Ruiz de Vielman also referred to the controversial Proposition 187 in California State.

[Begin Ruiz recording] First, we have asked that all developments concerning Proposition 187 be closely followed. As many of you know, although Proposition 187 was approved, it has been suspended by orders of both a federal and a state judge. We expect—and the

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Clinton administration has said as much—that Proposition 187 will soon be declared unconstitutional. Our consulates are ready and willing—as they have been instructed—to provide assistance to all Guatemalan citizens who request help, especially in California. Even though the Guatemalan Consulate in California—the U.S. state with the largest population of Guatemalan nationals—does have a limited staff handling a large number of cases, it is prepared. We have an excellent staff, and we believe they will be ready to provide any type of support. Since Proposition 187 has not gone into effect, we have not yet received any requests from Guatemalan nationals living in California. [end recording]

Defense Minister Notes Human Rights Progress

PA2811035694 Guatemala City Teleonce Television in Spanish 1900 GMT 25 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Defense Minister General Mario Enriquez and Dr. Monica Pinto, UN expert on human rights, held talks on Friday [25 November] to discuss the level of compliance with the recommendations that Dr. Pinto made in her report last year regarding the Guatemalan situation. Defense Minister Enriquez referred today at noon to the conversation with Dr. Pinto.

[Begin Enriquez recording] Today we attended a breakfast hosted by the Foreign Ministry for Dr. Pinto at the El Camino Real Hotel. We cleared up what we could call an incident, although not an incident, it was a mistake, which we will explain. There were 11 recommendations that had been made by Monica Pinto, the expert, which have to do with the Guatemalan Army. There were also 7 recommendations that had been made by the CIDH, the Inter-American Human Rights Commission, also for the Army. When both Copredeh [Presidential Commission for the Coordination of Human Rights Affairs] and we viewed the recommendations of Dr. Monica Pinto and of the CIDH, we compiled all the questions. What I gave her was how we had progressed in each of the points recommended. This progress, by the way, is very satisfactory because we have virtually complied with everything. A newspaper, which is deserving of all my respect, carried bold headlines saying: "The Army Has Not Fulfilled the Recommendations," and then in very small print stated: It has not dissolved the voluntary committees. This also hurt me a bit, but they are entitled to exert pressure and to say things as they see fit. Dr. Monica Pinto is aware of everything, and today I told her jokingly that the recommendations or responses to recommendations belong to the CIDH, but I would give them to her. I gave her a manual in which everything is written down and which shows what the Army has done in response to her recommendations on human rights. You hardly know me and you have already taken action, she asked? Yes, I answered, the thing is that there is some ink left in the inkwells of some of my officials to get more accomplished. I think everything has been good and positive. I am sincerely proud of the progress made regarding the recommendations, not only on her part, but on the part of Dr. Christian Tomuschatt and ratified by her. We are going to give the information that we gave to her to the newspapers, so that they can analyze, assess, judge, criticize it, or do—with the liberty that exists here in Guatemala—whatever they see fit. [end recording]

URNG Prepared To Accept Mayan Groups in Discussion

PA2611034294 Guatemala City SIGLO VEINTIUNO in Spanish 24 Nov 94 p 3

[FBIS Translated Text] The Guatemalan National Revolutionary Unity, URNG, is prepared to accept the participation of Mayan groups in the discussion of the Indian people's identity and rights, which will begin on 26 November in Puebla, Mexico, a member of the rebels' political and diplomatic team has stated.

The URNG Command has no reason to oppose the participation of Mayan groups in the third round of talks, considering they are representatives of Guatemala's civilian society according to the source.

It would be very important for the guerrillas if the Civilian Society Assembly [Asamblea de la Sociedad Civil, ASC] were to name the Mayan sector that would participate in the round of talks, although the status under which it would participate remains to be decided. The fact is, however, the rebels would raise no objection, the source added.

The Coordinating Board of the Guatemalan Mayan People's Organizations has asked since the first round of talks on Indian issues to be allowed to participate as an honorary witness, given it has several proposals to make that may make the discussion on the topic viable.

Jean Arnault, the UN moderator of the peace talks, has said the sides agreed during the negotiations early this year to create the Civilian Society Assembly as a forum to discuss and direct the concerns of various sectors toward the sides.

The participation of other groups in the process of negotiations will not be allowed according to Arnault, because there are agreements banning it, but these groups may direct their proposals through the ASC as a forum recognized by the United Nations, the government, and the URNG.

De Leon, Finance Minister View Fiscal Policy

PA2411032594 Guatemala City Teleonce Television in Spanish 1900 GMT 22 Nov 94

[News conference by President Ramiro De Leon Carpio, Finance Minister Ana Ordonez de Molina, and Willy Waldemar Zapata, president of the Bank of Guatemala, with and unidentified moderator and local reporters on 22 November; place not given; from the "Telepress" newscast—recorded]

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[FBIS Translated Text] [De Leon] I must state we have observed that trends in coffee prices are cyclical and cannot necessarily be assumed to be a recurring source of income. The idea, then, is to comply with the duty to pay income taxes and not pay taxes on coffee, which would represent cyclical fiscal income dependent on prices, which, I repeat, are not secure. Tax collection would depend on regular income taxes, taking into account high and low moments.

The Bank of Guatemala [Banguat] president has said the increase in coffee prices will not have a major impact on the economy's liquidity or the exchange rate. It is important that this point be noted. Had we planned a direct tax on coffee, this measure would have only been intended to fulfill fiscal needs, but this point instead can be covered with the income tax and the fiscal initiatives we have presented to Congress.

[Moderator] We now have Franciso Codas of the "ECO News" newscast.

[Codas] Mr. President, the government is going through a very difficult economic crisis. The end of the year is near, and it must face international obligations, especially local payments to government workers. What sources will the government use to be able to at least emerge from the crisis from now to the end of the year?

[Molina] We have laid out a general proposal before Congress aimed at requesting approval for the issuance of treasury bonds to expand the 1994 budget. This measure also goes hand in hand with a budget reduction, especially cost reductions, and also partially affects reinvestment. This measure left a pending gap for 1994 tax earnings of approximately 1.335 billion [currency not specified].

This gap is being divided into two segments. There was a budget reduction of about 675 million quetzals a few months ago, you will recall, when the Council of Ministers decreed a drop in its respective budgets of those expenses considered to be nonpriority. The council rationalized expenses and continued to stress public spending austerity, such as the austerity in festivity and entertainment expenses, fuel cutbacks except for what is essential, electric power rationing in public buildings, and so forth; that is, a series of measures that could effectively contribute to the reduction of this budget.

The other gap is being covered with the 700 million [currency not specified] in treasury bonds. We have publicly announced these bonds should at least cover a percentage during 1994 that would encompass 78 percent of the public investment earmarked for this year.

Honduras

President To Address Issue of Corruption in Miami

PA2511154494 Madrid EFE in Spanish 0731 GMT 25 Nov 94

[FBIS Translated Excerpt] Tegucigalpa, 25 Nov (EFE)—Honduran President Carlos Roberto Reina expects the Summit of the Americas, which will bring together the hemisphere's heads of state in Miami next month, to result in "concrete" resolutions to confront the needs of the continent.

"The Miami meeting must be productive, and I hope that when it ends there will be concrete proposals for the problems of the continent," Reina stressed.

The Honduran president, who assumed office in February, will speak at the summit on the issue of corruption on behalf of his Latin American colleagues.

The president, who ascended to power on a campaign that stressed the struggle against corruption, said he and his country consider it a "great honor" to present this issue at the Miami conference, which is to be hosted by U.S. President Bill Clinton 9-11 December.

"I am proud it is known abroad that Honduras has a government that works to combat corruption," the Central American president said. Reina has embraced the banner of the "moral revolution" in his government. [passage omitted]

Honduras, according to official sources, also expects Central America to present at Miami its desire to join NAFTA, which currently includes Canada, the United States, and Mexico.

In this respect, Mexican President-Elect Ernesto Zedillo said during a brief visit to Honduras last week that his country is very willing to sign a free trade agreement with Central America that will respect the regional integration processes promoted by Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama.

Reina believes the Central Americans should seek commercial agreements jointly, because "exclusive bilateralism" would not provide the same advantages to the Central American nations, which, as a bloc, represent a market of 30 million people.

Honduras also believes that, because of Mexico's leadership in Latin America, it has to heighten further its commercial relations with Central America. Nevertheless, aside from the trade victories that might be accomplished in Miami, the Honduran president expects Washington and the more-advanced Latin American countries to back the integration process and the new sustainable development agenda promoted by the Central American countries.

Nicaragua

Sources: NAFTA Commitment at Miami Summit Urged

PA2511174694 Madrid EFE in Spanish 0738 GMT 25 Nov 94

[FBIS Translated Text] Managua, 25 Nov (EFE)—Official sources have stated that Nicaragua hopes the

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Miami summit will result in a U.S. commitment on a timetable for negotiatinmg Central America's incorporation into NAFTA.

Regarding this iopic, Nicaraguan Foreign Minister Ernesto Leal said Nicaraguan President Violeta Chamorro will propose that the free trade issue be included in the Plan of Action and the Declaration of Principles that the 34 American leaders will discuss at the summit.

Leal stressed that the proposal is designed to have the Plan of Action be, first of all, feasible, pragmatic, and applicable, and, second, that it include mechanisms for the "permanent" follow-up of the decisions adopted by the chiefs of state.

"Our hope is that our proposals, especially the one dealing with free trade, will be successful, because we believe Central America should have the right to a free trade relationship with the United States," the Nicaraguan foreign minister said.

According to official sources, Nicaragua's main objective at the 9-11 December summit is to have the forum decide on a starting date for Central America to begin negotiating its entry into NAFTA. They added that, although Nicaragua understands that other issues to be broached at the inter-American meeting are important, the issue of trade and NAFTA "is vital" for this nation, because it is closely linked to economic growth and the maintenance of democracy.

"We believe that this treaty is not only important for Central America, but also for the United States, because of the trade that already exists between the countries of this region and the United States," Foreign Minister Leal said.

The Plan of Action to be reviewed at the Miami summit includes issues such as education, health, drug trafficking, governability, and the strengthening of the OAS.

Nicaragua also will propose at the summit that more aid be granted to improve human rights via training programs for the security forces, police, and Armed Forces, as well as the strengthening of the judicial branch. In this regard, Leal said the United States is already helping the Nicaraguan Supreme Court, and he urged the international community to join these efforts.

"In Nicaragua we believe that one not only needs to detect the violation of individual human rights, but we also need to cooperate to promote and achieve respect for these objectives and to improve the courts in our country," the minister said.

Assembly Passes Reforms Weakening Executive Power

PA2611225594 Managua BARRICADA in Spanish 25 Nov 94 pp 1, 2

[Report by Carlos Garcia Castillo; passage in boldface as published]

[FBIS Translated Text] The Ramirez-UNO [National Opposition Union] Group imposed last night another of its reforms, a substantial part of the Nuevo Espino Negro [accord], after approving two rounds of presidential elections. The basic objective of this measure is to reduce the Sandinist National Liberation Front's [FSLN] chances of winning in 1996.

The FSLN deputies rejected the reform and said it is the final blow from a group of deputies who reneged on the Sandinist votes in an attempt to liquidate the revolutionary project.

"They know that if the FSLN wins in the first election without reaching the percentage now required, all rightist groups—including the Ramirez supporters—would reach an accord against our candidate to favor our adversary," Sandinist Deputy Nathan Sevilla remarked.

The reform contemplates holding a runoff election if none of the presidential candidates receives a relative majority of 45 percent of the valid votes.

According to the approved system, "a runoff election" would be held between those in first and second place. The candidate receiving the most votes would be elected.

The Legislature Will Be the Supreme Power

In a lengthy session, the deputies approved the reforms pertaining to the legislative branch and the organization of the state.

The Ramirez-UNO overwhelming majority approved the new powers of the National Assembly, which was granted semi-absolute powers such as electing the Supreme Court justices, magistrates, and proxies of the Supreme Electoral Council; the comptroller and deputy comptroller general of the Republic; the bank superintendent and deputy superintendent; and the human rights attorney and deputy attorney.

With the new powers, the National Assembly becomes, in fact, a suprapower that takes powers away from the executive branch. For instance, the legislature will now approve all decisions on plans for the country's 143 municipalities.

In addition, in a hasty and unprecedented manner, the National Assembly plenary approved last night a set of constitutional reforms on the organization of the executive branch that are supposedly intended to prevent nepotism and presidential reelection.

At approximately 1900 the Assembly passed a set of prohibitions against "relatives within the fourth degree of consanguinity and those who are or have been relatives within the second degree of affinity of the person who exercises the office of president" from becoming presidential or vice presidential candidates.

The plenary rejected a motion by Deputy Omar Cabezas Lacayo, who proposed that the prohibitions be maintained in the Constitution but applied in the year 2001;

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that is, in the second presidential election after the promulgation of the new constitution.

Deputy Cabezas termed the prohibitions an act of vengeance from UNO. He said the prohibitions represent a "settling of accounts" by Cesar and his group against Lacayo, whom they accuse of "stealing" from them the 1990 electoral victory.

In turn, for the Ramirez group, this represents the only opportunity for the group's head-director to become the leader of the so-called political center forces.

Assembly Abolishes Compulsory Military Service

PA2511120794 Mexico City NOTIMEX in Spanish 2355 GMT 23 Nov 94

[FBIS Translated Text] Managua, 23 Nov (NOTIMEX)—Legislative sources confirmed today the Nicaraguan National Assembly voted to abolish compulsory military service and to change the name of the Sandinist People's Army (EPS) to the Nicaraguan Army.

Nicaraguan deputies approved last night, by 69 votes in favor, none against, and six abstentions, to abolish compulsory military service and forced recruitment to enter the Army and the National Police.

This practice implemented by President Daniel Ortega's administration (1979-1990) was suspended by Nicaraguan President Violeta Chamorro after taking power.

The EPS now becomes the Nicaraguan Army, according to the sources, and will be under the civil power of the president of the Republic or a corresponding ministry, as established by the approved reforms.

The Nicaraguan Army and the National Police were defined as professional, nonpartisan, apolitical, obedient, and nondeliberative institutions.

Soldiers may not participate in political-partisan activities, nor occupy popularly elected public positions without having previously resigned from active military service at least one year before the elections.

The approval of the new Military Code affirmed this restriction. The code was drafted with the consent of the military high command and the current government, giving a new name to the EPS, which was founded in 1979 after the Sandinist revolution overthrew the Somoza dictatorship.

The changes are a part of a package of 70 reforms to the Nicaraguan Constitution adopted in 1987 and must be approved in the current legislative session and ratified in the following session, which will begin in January 1995, in order to be enforced.

National Assembly President Luis Humberto Guzman said the process would end by the end of the week, and he denied the deputies were violating any law in passing the first amendment to the 1987 Nicaraguan Constitution.

The reforms being debated in the full legislature will stamp a new framework on the relationship between the powers of the state and will strengthen the legal, political, and economic system, Guzman added.

The reforms also will strengthen the full right to private property, to private, state, cooperative, community, and joint business enterprises.

Another issue that was approved, which caused a rift in the ranks of the former ruling Sandinist National Liberation Front (FSLN), was the refusal to give political asylum to people who had committed "terrorist acts", as established by international agreements.

This controversial amendment was approved after gaining 72 votes in favor, five against, and five abstentions.

FSLN hard-liners, who joined the debate despite having rejected the reform initiative, made a motion to eliminate the reference to "terrorist", but the motion was defeated by a large majority.

Presidency Minister on Constitutional Reform

PA2311233394 Managua Radio and Television Networks in Spanish 0300 GMT 22 Nov 94

["Speech to the Nation" by Presidency Minister Antonio Lacayo in Managua—live or recorded]

[FBIS Translated Text] Good evening, fellow Nicaraguans. Nicaragua as a whole has to further its national development strategy. This responsibility cannot be the government's alone, or even the state's alone, because decisions on how the country's development is geared will have a strong impact on the lives of all Nicaraguans for many years. The decision on the national development strategy for the 1995-1999 period has to be reached by the nation. We have to make this decision jointly.

A modern and involved development proposal will require new formal political institutions, and this should be included in our Constitution. This is why the constitutional reform, which I fully endorse, has to be a comprehensive part of our national strategy. If constitutional reform is conducted separately from national strategy, and if we do not do this together to further a new Nicaragua, it will soon become ineffective and obsolete, and it will become a new obstacle that will need to be removed from the country's path.

To conduct constitutional reform in a stable country with well-established goals is different from conducting constitutional reform in a country undergoing a transition, such as Nicaragua, which has changed its political, economic, social, and international framework and has just begun to define its national goals. Our constitutional reforms, therefore, must include broad and effective participation from all relevant civilian organizations, whether at the national or local level, as well as from all government branches and local authorities.

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Furthermore, in planning these reforms we have to differentiate between fundamental issues and political issues. Among the fundamental issues are those that affect the country's economic and social stability, and these include very important matters, such as the reformulating of economic policy through consensus to generate more jobs; to decide exactly who will have the authority to establish taxes; to decide the role of the public banking sector in the country's development; to determine which government branches should participate in our international economic negotiations, as well as the responsibilities assigned to each branch; to decide on free and compulsory health and educational services; or to decide on how we should transfer government assets. In other words, we have to decide how the various government branches, which are autonomous and independent from one another, can work together to benefit the entire country. This will only be achieved if we work by consensus, as our president, Dona Violeta Barrios de Chamorro, proposed almost two weeks ago.

The political issues, on the other hand—those that comprise the interests of a few groups and parties—are ones that include questions concerning who can be a presidential candidate or whether a president can be reelected and how many times. Political issues also include, for example: How many representatives to the assembly will be elected under departmental limits and how many under national limits in order that both the country and the departments are fully represented? Should we have one or two rounds in our presidential election process? How will we elect our mayors? What should be the minimum age for important public posts? Will Nicaraguans residing abroad be allowed to vote? When does a minister, deputy, or mayor have to step down to run for the presidency of the Republic? Questions such as these on political procedures, especially the well-known question of restraints, have monopolized the debate on constitutional reforms to the detriment of the fundamental issues involved. This is why the entire country, which is concerned about its fundamental problems, feels that the politicians' agenda does not agree with its agenda.

We need to resolve the political issues, but it is also necessary for us to keep such issues from becoming an obstacle to a serious and in-depth discussion of the fundamental issues. Nicaragua has stabilized itself and has the basis to build a new society, but this stability, which has cost us all so many sacrifices, could crumble if we do not quickly start defining the fundamental issues among ourselves.

In my personal case, I believe I have been the victim of an ill-intentioned but well-mounted campaign to portray me as a man who is more interested in his own candidacy than in promoting democracy and development in the country. This image is not true. I am, above all, a Nicaraguan who is interested in leaving behind the sterile and damaging political fighting of yesteryear and who wants to work with all the men and women of goodwill to consolidate this fatherland [word indistinct] democratic, peaceful, and progressive. We have been working toward this goal since 1970, based on the genuine and patriotic endeavors of most Nicaraguans.

That reason is why I want to make two proposals or one proposal with two parts to the country regarding the discussion on constitutional reform. The proposals are not to hinder the debates but to contribute to the comprehensive and necessary discussion among ourselves of the issues that are important to the country: first, that we group the fundamental issues into manageable numbers and start discussing them in a broad, cordial, and profound manner with the participation of government branches and the sectors involved in issues such as economic development, job generation, property, taxes, foreign debts, education, health, drinking water, state banks, public investment, electricity, residual waters of the [words indistinct], rural roads, regional, and departmental administrative autonomy, the people's participation in public programs, and other issues of national interest; second, to group the political issues and find a procedure to resolve them in a manner that will reflect the people's feeling during 1995 or before the next elections. It is necessary that we resolve the form and manner of those issues but bearing in mind the country's future and the Nicaragua we want to leave to our children. We have to agree on a development strategy we believe will take Nicaragua to the bright future we have envisioned for it.

Thus, it is necessary that the form not interfere in the discussion of fundamental issues and that the political discussion not be seen as a [word indistinct] of meanness but, rather, as what it should be: a noble effort to consolidate the true Nicaragua so that it will have all the legal framework and the solid and stable political institutions in favor of the people. This model is the one of the country we, the Nicaraguans, want to build. Isolating the constitutional reform from this big task will lead us nowhere. It has never been advisable to put the cart before the ox. Let us tackle the fundamental issues. Let us agree on a national development strategy and, later, let us approve the necessary constitutional reforms.

Lacayo, Politicians on Talks Between Government Branches

PA2511001094 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 23 Nov 94

[From the "National Newscast"—passages within quotation marks are recorded]

[FBIS Translated Text] Although certain politicians say the die has been cast, a dialogue between the legislative branch and the executive branch on the proposal made by the presidency minister has not been ruled out. When Dr. Sergio Ramirez arrived at the National Assembly, he stole the cameras and recorders when he voiced his position on the dialogue on a national development strategy proposed by Presidency Minister Antonio Lacayo last night:

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[Ramirez] "I believe it is impossible at this stage to throw the ball out of the court of the National Assembly."

The observers say the approval of the reforms would be a victory by Ramirez over the orthodox group. Meanwhile, the presidency minister has proposed that the constitutional reforms become an instrument for development:

[Lacayo] "The basic issues dividing us cannot be included in a constitution, because we do not know whose criteria we are including."

The politicians have not ruled out the proposal by the presidency minister:

[National Assembly President Luis Humberto Guzman] "Once this proposal has been approved during the first legislature, we will have to see the reaction of the wing leaders on the remainder of the topics proposed by Lacayo. At any rate, I believe we all are concerned about the national strategy for development. This problem is a very serious one for the country."

[Luis Sanchez, leader of the National Opposition Union, UNO, wing] "The problem is he has not directly proposed it. He speaks in general terms. Here in the National Assembly in our party's office, and in our homes, we have the names and addresses."

[Sandinist Deputy Reinaldo Antonio Tefel] "I believe Antonio Lacayo's proposal has its interesting and valuable parts, but it is extemporaneous."

[Deputy Roberto Urroz of the Nicaraguan Democratic Movement] "There is still time. It will be approved during the first legislature, and that viewpoint can be considered during the second legislature."

[UNO Deputy Edmundo Castillo] "I am going to use a phrase in Latin: Alia acta est; that is, the die is cast."

Even though there are such opinions, it was unofficially learned the deputies are interested in discussing them. Perhaps that reason is why Dr. Ramirez has met with the head of parliament. Meanwhile, Lacayo has rejected rumors of a coup against the legislative branch:

[Lacayo] "We will never act in the manner those people have said. I believe they are trying to create doubts in the atmosphere, to destabilize, and to move tension to other areas. They do not want all tension centered—as we said last night—on the basic issues, something which should worry all Nicaraguans."

UNO Wing Leader: Lacayo Development Plan 'Absurd'

PA2511024394 Managua Radio Sandino in Spanish 1200 GMT 23 Nov 94

[From the "What's Up" newscast]

[FBIS Translated Text] Luis Sanchez Sancho, UNO [National Opposition Union] wing leader, has said the strategic development proposal presented by Presidency Minister Antonio Lacayo the night of 21 November is absurd. Lacayo's goal is to prevent the debate on the constitutional reforms according to Sanchez. Here is what Sanchez said at the National Assembly:

[Being Sanchez recording] What I understand by the presidency minister's proposal is for the debate and approval of the constitutional reforms to be suspended, not continued. This notion is totally absurd in my opinion. He wants to appear as if he agrees and even supports some of the constitutional reforms, which are important for him. Nevertheless, he is trying to disqualify, to negate, or to make secondary other reforms he believes personally affect him. He is not looking at the overall picture, but I believe his true intention more than anything else points toward the [word indistinct] of this constitutional debate, something which is impossible.

In my opinion, any political negotiation, any dialogue will have to take place after the approval of the constitutional reforms; they must be aimed at assuring their execution or implementation and application with regard to the state branches.

[Unidentified reporter] Could it be that the minister, the executive feel weak in light of those debates on the Constitution....

[Sanchez, interrupting] He undoubtedly feels weak. I know—because I have inside information—they believe they are experiencing a severe political defeat at the Presidency, a situation which is their own fault. I insist that the president's political, moral, and legal obligation is to support the constitutional reforms, a commitment we made during the election campaign. This commitment is a historic one we have with the forces we represent, the executive branch as well as us. It is regrettable that they consider this process as a political defeat instead of using it to change their attitude and to join the national effort to modernize the state.

[Reporter] Lacayo claims he is a victim of a political campaign against his candidacy. Could this remark be true....

[Sanchez, interrupting] I do not know whether it is true he really believes this or if this is just a trick to project his political image by appearing as a victim of this nation's political forces. These goals of nonreelection, of [words indistinct], of prohibition against nepotism are old democratic aspirations of practically all our nation's political sectors. They have existed long before Lacayo appeared on the political and public scene in Nicaragua; therefore, I feel there is an excess of personal vanity if he truly feels he is a victim, as he said in his message. Nevertheless, it could be a publicity stunt his image advisers have recommended he use. These advisers, as is known, are working on preparing his [word indistinct] political image.

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Tomas Borge Outlines BARRICADA Principles

PA2511133394 Managua BARRICADA in Spanish 24 Nov 94 pp 1, 2

[Article by Tomas Borge, chairman of the BARRICADA Board of Directors: "This Is How It Will Be!"]

[FBIS Translated Text] BARRICADA will not only have a new layout—the attractive face of modern journalism brightened by the heat and novelty of news—but it also will be a pluralistic and sweeping newspaper without exclusions and at the service of, yes, national interests from the political perspective of the FSLN [Sandinist National Liberation Front].

We are facing the challenge of being the true defenders of the national interest.

Readers will be the main actors in the newspaper's pages. We will receive, as valuable input, criticisms, suggestions, and contributions from our readers. All Nicaraguans will be the newspaper's cowriters and contributors.

Each one of the newspaper's pages has been carefully reviewed to create a forceful and beautiful product.

We do not see any other role than that of serving the nation, its stability, and preserving peace. We do not visualize our work without democracy. We contribute to popular demands, and, at the same time, we will be a showcase for development.

As political actors on the stage of this enterprise, we are interested in economic development and management. Increased consumption, inseparably linked to national production; the emergence of new enterprises; and the strengthening of already existing enterprises are top priorities for the newspaper.

In the long run, this means more circulation and more advertising. The economic bonanza will favor the media as a whole.

We will work hard to prevent political rivalry from overstepping the bounds of good sense. In the pages of BARRICADA we will firmly limit ourselves to exercising the right to self-defense.

We will defend social demands, trying to contribute to make them fall within the framework of civic struggle.

We will be enthusiastic, but we will not become troublemakers. We will be acute, but not as the cutting edge of a knife. Instead, we will act with the elegance of ingenuity and the good sense of humor, and we will respect ethics and truth.

That is how BARRICADA will be!

Party Positions on Reforms Discussed

95CA0024B Managua LA PRENSA in Spanish 17 Oct 94 p 2

[Article by Cesar Ubeda Bravo]

[FBIS Translated Text] The political leadership of the country seems unable to find a solution to the crisis that is oppressing Nicaraguan society. The convocation of a constituent assembly was flatly rejected last year by the majority of the politicians, who opted for constitutional reforms instead.

However, the same parliamentary parties that supported the constitutional reforms are now divided. This is the case, for example, with the Sandinist Front, the Center Group, and the Democratic Social Party (PSD).

Ironically, the United Nicaraguan Opposition (UNO), which paid a high political price for advocating the convocation of a constituent assembly but lost out to the UDC, APC, and MDN [Nicaraguan Democratic Movement], appears to be the group with the upper hand.

The seven parties included in the UNO have 25 votes in the National Assembly, votes regarded as crucial for giving greater political weight and legitimacy to the future approval of the Proposal for Partial Reforms of the Political Constitution.

The parliamentary political leaders of the UNO, PSD, UDC, MDN, and FSLN [Sandinist National Liberation Front] have assessed the problems encountered in amending the Constitution from their various political positions.

UNO Uncertain About Reforms

Luis Sanchez, the coordinator of the UNO bench, emphasized that there are three problems creating uncertainty about constitutional reform.

The first problem is legality. "The proposed constitutional reform was presented in form and content as if it were possible to repeal articles and chapters and to introduce new ones for approval within a single legislative session," Sanchez said by way of criticism.

According to him, this is not possible. He cited the example of Law 173, which sought to amend Articles 192 and 195 of the Constitution by means of an unlimited partial amendment and to obtain its approval during a single legislative session of the National Assembly. However, the law did not go into effect because President Chamorro, although she approved it, failed to order its publication in LA GACETA.

"Even if Law 173 had been published in LA GACETA, it still would not have been valid, but would be unconstitutional, because the president of the Republic approved it without the constitutional authority to do so," Sanchez opined.

The ideal thing, the UNO believes, would be to reduce the size of the draft proposal, with its 148 articles; to eliminate the proposals for new articles and chapters; and to draft a shorter and more substantive proposal. Then the National Assembly could approve it in two legislative sessions and Law 173, which although it was

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approved by the parliament and published in the newspapers, has no legal validity, according to this coalition, could be discarded.

Executive Branch Might Intervene

"But the Supreme Court could declare the reform unconstitutional, because the draft that was originally submitted did not conform to the procedure set forth in the Constitution itself for its partial amendment. However, some jurists claim that the Supreme Court does not have the authority to declare a constitutional amendment unconstitutional," Sanchez stressed.

"Thus something like, or worse than, what happened in December of 1992 could occur. At that time, the Supreme Court declared a law that had been approved by the legislative branch null and void, and the president ordered the police to intervene in the National Assembly and revoked its legitimate authority," he warned.

The second problem, as Sanchez sees it, is the balance of forces in the parliament. He believes that if the reforms are substantive, up to 67 votes might be obtained.

However, he said he thinks that the presence of Daniel Ortega in the National Assembly might lead some Sandinist deputies to abandon their reformist positions. "There might be changes of attitude in other groups as well, when the cannons roar."

The third problem, according to Sanchez, is the power of the forces opposed to basic aspects of the reforms—reduction in the authoritarianism of the presidential office, the transfer of authority for economic, fiscal, and financial policy to the parliament, and the prohibition of presidential reelection and family succession.

According to this leader, the government, in close collaboration with the orthodox faction of the FSLN, controls or at least has a decisive influence on the political, economic, judicial, administrative, military, and police sectors in the country.

PSD Advocates Consensus

In the opinion of PSD leader Adolfo Jarquin Ortel, who participated in the drafting of this proposal, it should be consistent with the new era in the country, wherein reforms should be the product of a broad consensus about the nation.

"The reforms can only contribute to resolving the problems of the country if they are the product of a political agreement involving all or a majority of the sectors representing our national life. And they must have risen above egotistical positions and must personify the national interests," Jarquin said.

In the view of this PSD leader, it is not advisable to convoke a constituent assembly before 1996, particularly if national elections in which all of the country will be involved are pending.

"For this reason, we will insist on constitutional reforms, provided always that they are the product of a national consensus," he stated.

He reiterated that since January of this year, his party has advocated the reforms, and that consistent with this position, it has joined the Political Council of Benches, contributing its constructive views with a view to achieving a pact that will give the nation cohesion.

UDC Favors Reforms

In the opinion of UDC leader Armando Zambrana, the weight of the parliamentary forces favoring reforms is great. "I think that only the Center Group and the legislators who support Deputy Daniel Ortega oppose the reforms. The reasons? Everyone knows what they are," he said.

He stated that none of the constitutional amendments drafted strengthen any particular political group. "Each of the amendments ensures a real process of democratization based on a new concept of the modern state." According to Zambrana, these reforms are viable, because they have been designed to strengthen the institutional system and the credibility of the branches of the state.

"The constituent assembly was a dream, one motivated by the desire to pursue traditional politics, to create false expectations, or to promote very petty interests. It was attractive as an idea, but impossible as a reality," he added.

Effect of Reforms Explained

Carlos Gallo, a Sandinist deputy, maintained for his part that the constitutional reforms provide the citizens with a program for future coexistence in a country with norms that will reduce the risk of authoritarianism and nepotism.

"It is true that the draft reforms have powerful opponents. They are the individuals who are governing or have governed with the advantages of the strong presidential system provided by the present Constitution. Their positions are now in agreement and they are combining their efforts to block approval of the reforms," Gallo noted.

He believes that the guarantee that the reforms will be approved is to be found in maintaining the essence of the draft submitted, but with the number of articles reduced by half. These changes would have to be approved in the course of two legislative debates during two sessions.

In addition, Gallo urges that the leadership of the parliament be reorganized so as to reflect the plurality of political forces in the leadership bodies—the Leadership Council and the commissions.

More Motives Explained

It is Gallo's belief that those who are attempting to block the reforms are simply seeking to ensure the continuity

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of the present government through an alliance between the orthodox faction of the FSLN and Minister of the Presidency Antonio Lacayo.

He added that he does not think the presence of Ortega in the parliament will influence the other Sandinist legislators to abandon their reformist positions, as Sanchez thinks it might.

"I do not believe that more FSLN deputies will alter their positions, because a vote in favor of Lacayo would have a high political cost and would mean a vote for continuity," Gallo said, after noting that of the 39 Sandinist legislators, only eight would support the Ortega-Lacayo agreement.

"It should come as no surprise if in the days to come, the government and the orthodox faction of the FSLN propose that the 1996 elections be moved up and that the National Assembly that is to be elected be authorized to serve as a constituent assembly, in the belief that an alliance of this sort would avoid the political deterioration of the government and the FSLN," he warned.

Reforms Need Consolidation

Engineer Roberto Urroz, the MDN leader, believes that the constitutional amendments are viable because they are based on the 17 reforms wanted by the 14 parties included in the UNO in November of 1993.

"The UNO wants these reforms. Its members are participating aggressively in the consultations, and will participate later in the processes of debate and approval, depending on the quality of the text recommended," Urroz said.

"It is logical and intelligent to take into account some of the proposals of the UNO, such as consolidation of the number of articles and focus on the basic problems. What is certain is that the country needs the reforms," Urroz said.

In his opinion, the reforms would cease to be viable if the UNO failed to participate in the debate and approval processes.

He also said that the Renewal Movement of the FSLN, which only has a chance of success in 1996 if the party democratizes and modernizes itself, has definitely decided to support the constitutional reforms with a view to adaptation to the new era.

Possible National Assembly Scenarios

Urroz added that the executive branch will have to change its position as the various sectors of the population express their views during the discussion of these reforms.

"If the executive branch supports the basic points in the draft reforms, without rejecting the rest of the articles, a total consensus among the deputies could be obtained. If, in such a case, the UNO failed to participate (which I see as improbable), at least 68 votes could be obtained," he predicted.

He explained that if the executive branch were to support only its principal points of interest, a total consensus might be achieved on the articles endorsed by the executive branch.

"On the balance of the articles, a number of votes in excess of 67, including the votes of the UNO, could be obtained," he said.

Finally, he asserted that if the executive branch does not support the constitutional reforms, they could be approved article by article, with a range of from 60 to 68 votes.

Panama

President: GATT Negotiations With U.S. 'Fruitful'

PA2611215394 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Nov 94 p A1

[Report by Jacqueline Clarke]

[FBIS Translated Text] President Ernesto Perez Balladares said yesterday that the first round of negotiations between Panama and the United States for Panama's entry into GATT have been "fruitful."

Perez Balladares stated that the initial U.S. stance "has given way to a negotiation process with much more acceptable positions."

"This will guarantee that our national industrial sector is protected and that the agricultural sector continues to operate efficiently," the president affirmed at the inauguration of Los Pueblos shopping mall.

President Perez Balladares stressed that the state wants to join GATT but "with the least possible social cost for our national production."

He also added that joining GATT is "our objective. It is in our interest because Panama cannot and must not be excluded from globalization. On the contrary, we intend to resume our key role as promoters of world commerce and of rendering services and coinvestment."

Commerce Minister Nitzia de Villarreal, who led the Panamanian mission before the GATT, briefed Perez Balladares on the details of the first round of negotiations held on 21 and 22 November in Washington.

Meanwhile, Lorena Fabrega de Lorenzo, vice president of the Association of Panamanian Industrialists (SIP), asserted that "the negotiations on both goods and services is right where it started because the parties did not reach an accord on the contents of the original proposals."

The SIP spokesperson asked that the government and private enterprise representatives present at the next

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meeting on 16 February 1995 a "single, concerted" proposal to face the U.S. pressure.

De Lorenzo explained that the official delegation made a "brave effort but cannot do it all."

The North Americans, however, assumed a "very hard, inflexible" position and declared "the Panamanian goals inadmissible," the SIP vice president continued.

The United States asked that, as part of the GATT entry requirements, Panama reduce tariffs for approximately 420 agricultural and chemical products, most of which are made in Panama.

They also requested free entry and operation of corporations and foreign professionals in service, supplies, and management activities.

Industrialists: U.S. Stance on GATT 'Inflexible'

PA2611024394 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Nov 94

[Report by Luis Polo Roa; from the "RPC Television News" newscast]

[FBIS Translated Text] The United States is reluctant to accept Panama's proposals for its admission into the GATT, according to members of the Association of Panamanian Industrialists [SIP].

SIP members who traveled with the Panamanian delegation to the United States to participate in negotiations for Panama's admission into the GATT say the U.S. Government declared the Panamanian Government's aspirations inadmissible and demanded that the country accept the original requirements made by the U.S. Government.

[Begin SIP Second Vice President Julieta Lorenzo recording] The position of the U.S. negotiators was extremely inflexible. As we understand it, the U.S. negotiators did not have instructions to make concessions regarding the proposals they expected from Panama. In view of Panama's response, they did not even feel inclined to request new instructions from their government. [end recording]

A second counterproposal was submitted, which brought most of the customs tariffs to their current levels with certain adjustments if required by GATT. In addition, it maintains protection of the agricultural, livestock, and industrial sectors.

[Begin Lorenzo recording] The representatives of the U.S. Government limited themselves to receiving the counterproposal and setting a new negotiation date for 15 February 1995. In the area of services, Panama sent a proposal that was not taken into consideration because it did not explicitly respond to the requirements made by the United States. For all practical purposes, the negotiation of goods and services is currently at a standstill because no agreements were reached on the contents of the original proposals. [end recording]

Bearing in mind the results of these negotiations, the SIP believes the U.S. attitude is nothing more than a plan to seek a market inside Panama for its industrial and agricultural surplus in exchange for Panamanian products at the lowest possible cost to them. That is why the SIP will maintain its opposition to Panama's membership in GATT.

Assembly Approves Constitutional Title on Canal

PA2511191094 Panama City LA PRENSA in Spanish 25 Nov 94 p 1A

[Report by Vilma E. Figueroa B.]

[FBIS Translated Text] The Legislative Assembly, by a vote of 48-20 (with no abstentions), has approved Legislative Act No. 1, which adds a title to the Constitution regarding the Panama Canal.

Following a lengthy nonstop session that began yesterday at 1530 and lasted until 0120 this morning, lawmakers from both the ruling party and the opposition joined to support the constitutional title.

Throughout the entire session, a group of students from the University of Panama Law School remained in the galleries and insistently urged the legislators to vote down the measure.

Ruling party legislators Oyden Ortega and Abel Rodriguez voted against the measure, arguing that the title violates the Constitution and grants special powers to the Canal Authority's Board of Directors.

Assembly President Balbina Herrera said in her speech that her yes vote was for Panama, because it was not possible to have a change of policy every time a new government takes control of the country. Herrera hailed the "courageous decision of former President Guillermo Endara to create the Interoceanic Region Authority," and "to get the assembly to approve the constitutional title we are now submitting to a vote."

The title creates an autonomous legal entity under the law called the Panama Canal Authority [Autoridad del Canal de Panama—ACP], which will exercise exclusive control over the management, operation, preservation, maintenance, and modernization of the interoceanic waterway. In addition, the ACP will be in charge of related activities, in line with current constitutional and legal guidelines, to ensure that the waterway functions in a safe, continuous, efficient, and profitable manner, and for this reason the ACP will have its own assets.

The title stipulates that the ACP is responsible for the management, maintenance, use, and conservation of the water-related resources of the Panama Canal, which comprise fresh water from the lakes and their tributaries, in coordination with the state agencies established under the law. The ACP will regulate all matters regarding construction plans; service concessions; hiring of personnel; loan agreements; use of water; utilization, expansion, and development of ports; and any other projects or construction along the banks of the Panama Canal.

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In December 1993, the previous Legislative Assembly approved Legislative Act No. 1, by which a new title was to be added to the Constitution on managing the interoceanic waterway.

The ACP and all other institutions and agenies of the Republic linked to the maritime sector will be included in the nation's maritime policy. The executive branch will submit to the legislative branch a law that will coordinate all of these institutions in an effort to promote the country's socioeconomic development.

Based on the new title, the administration of the ACP will be placed in the hands of a Board of Directors comprising 11 directors: one director named by the president, who will chair the Board of Directors and hold the rank of minister of state for Canal affairs; a director named by the executive branch, who may be freely removed; and nine directors named by the president with the concurrence of the cabinet and ratified by the legislative branch by an absolute majority. Among its other powers, the Board of Directors will appoint and remove the Canal administrator and deputy administrator and establish their duties in accordance with the law. The Board of Directors also will set tolls and loan agreements with the prior approval of the cabinet.

Parties Disagree on Legislation

PA2611222894 Panama City ACAN in Spanish 2142 GMT 25 Nov 94

[FBIS Translated Text] Panama City, 25 Nov (ACAN-EFE)—The autonomous system of administering the Panama Canal, which the Legislative Assembly approved as an addition to the Constitution, elicited mixed reactions, including total rejection by some unions.

With the new constitutional title on the Canal, Panama intends to guarantee that the waterway will be independently managed and removed from politics when the United States, the current administrator of the Canal, relinquishes control over the Canal to this country in 2000.

The controversy that raged in the Assembly for over two weeks before approval of the new title is still alive among the public.

Local 907, which represents a large number of Panamanian workers at the 10 U.S. military bases in the Canal area, said "it is totally opposed" to the title, although its stance does not mean they are unwilling to work under Panamanian administration.

"We call on the government not to ignore the opinion of the workers who are directly committed to and involved in running the Canal in 2000," one of the union leaders said today.

Most of the almost 6,000 base workers who have asked for a renegotiation of the bases' stay will lose their jobs with the departure of the U.S. Army on 31 December 1999, although some of them may hope to join the Canal labor force if they qualify.

The new constitutional title, which has been embroiled in heated debates, is regarded as fundamental to the Panamanians' takeover of the waterway, which has been run since its inauguration in 1914 under U.S. laws. The United States will hand over the Canal to Panama on 31 December 1999.

President Ernesto Perez Balladares, who must approve the legislative action, has said on several occasions that the title has room for improvement because the executive must respond in favor of national interests.

Several deputies from his Democratic Revolutionary Party (PRD), which has a majority in the Assembly, voted against the new legislation following more than 10 hours of nonstop debate which concluded in the early morning hours of today.

Assembly President Balbina Herrera of the PRD described as "historic" the step taken by the deputies, many of whom delegated the voting to their alternates. The final outcome of the vote was 49 in favor, 20 opposed, and three absences.

The rift in the ruling PRD over the constitutional title was reflected in the stance held by PRD President Legislator Gerardo Gonzalez, who voted against it because he felt it does not guarantee labor stability and severs the Canal from the situation in Panama by creating a "small republic."

On the opposite side, Legislator Juan Manuel Peralta of the Liberal Republican Party felt that not having a constitutional title or prepared legislation could allow the United States to "demand" to stay "in their colonial enclave in Panama." Christian Democrat Ruben Arosemena said that the title will keep "politics and excessive bureaucracy from affecting the efficiency of the Canal," and added that some people are "bent on finding groundless objections."

Legislator Alberto Cigarruista of the opposition Authentic Liberal Party regretted that the title was approved and "hoped those who voted in favor have not made a mistake" and that it may work for the development of the country's economy. The only party that voted against the constitutional title as a bloc, except for one of its six deputies, was Papa Egoro (Mother Earth in Indian language), founded and headed by actor and singer Ruben Blades.

In the view of this party, which was founded two years ago and is represented in the Legislative Assembly for the first time, the new legislation for the Canal does not protect the interests of the nation.

In this party's opinion, if adequate legislation is not enacted there may be a "massive" departure by workers

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over labor disputes or "strikes and conflicts that will profoundly injure Panama's national image."

According to the constitutional title, the Canal will be governed by the Canal Authority, an autonomous entity it terms of its administration and financing.

The Authority will have a board of directors made up of 11 members and chaired by an official with the rank of minister who will be appointed by the head of state.

This new body will replace the current Panama Canal Commission, a U.S. federal agency which has had a Panamanian administrator since 1990 and five U.S. and four Panamanian members.

Column Applauds Approval of Title

PA2711125894 Panama City LA PRENSA in Spanish 26 Nov 94 p 1A

[From the "As of Today" column]

[FBIS Translated Text] The approval of legislation to add a title to the Constitution that will govern the fundamental norms in regulating the Panama Canal Administration is a very important step toward accepting the responsibilities that will be ours in the year 2000. Of course, the new title does not encompass everything. It needs a basic law that will develop constitutional principles; structure the administrative body; determine its labor policies; establish personnel training systems; and do whatever is necessary to keep the Canal competitive, secure, and efficient. It is a great challenge for all of us, but we have the ability to successfully face this challenge, and, hopefully, we will have the maturity to prevent cheap partisan rivalries from becoming insurmountable obstacles to the preservation of our primary national asset. Although the new constitutional title may not be perfect, it would have been worse not to approve it and to leave the Canal open to legislative improvisation. The often-criticized legislative and executive branches have done what they had to do, and they deserve public recognition. In matters of such national importance as this one, we must act with a great deal of measure and foresight. There will be much more to do in the future, and for our sake we hope it will be done with this purpose in mind.

Perez Balladares Wants Say in ARI Decisions

PA2611223094 Panama City EL PANAMA AMERICA in Spanish 25 Nov 94 p 1A

[Report by Juan Pritsiolas]

[FBIS Translated Text] President Ernesto Perez Balladares confirmed yesterday his interest in appointing a new administrator of the Interoceanic Region Authority (ARI) and in having the power to "veto" ARI decisions.

In an interview with EL PANAMA AMERICA, Perez Balladares emphasized the need to reform the ARI law, arguing it would be "absolutely absurd to perpetuate something that does not work." The best thing would be to achieve appropriate coordination between the ARI and the executive, the president added.

He explained that the ARI was conceived with "excessive protection" to keep the reverted areas from becoming "political booty." In practice, however, the entity was "isolated" from government actions.

The president emphasized that his predecessor, Guillermo Endara, warned in a letter to ARI President Dr. Carlos A. Mendoza that the ARI ran the risk of operating "independently from the Panamanian state...a situation that (would entail) the creation of a new Canal Zone."

Perez Balladares asserted that the ARI administrator must "have the support" of the chief executive, who would select him from a three-name slate presented by that entity's board of directors.

Jose Chen Barria is an "honest official," but "I don't think he is the right person for the post," Perez Balladares said. He envisioned the future ARI administrator as a "successful businessman who has made investments" and who is at the stage where he would like to do something for the country, "not necessarily for his own pocket."

Ernesto Perez Balladares also said he would like to have the power to veto ARI decisions he deems negative, such as the sale of important assets. Expanding the current nine-member board of directors with representatives from the University of Panama and the Legislative Assembly are among the president's plans.

In addition, he said he would support the reforms project recommended by ARI itself and warned that he "would veto" the law if the Assembly introduced significant variations to the initiative presented by ARI.

The president called on the political parties not to "politicize" the debate of a national issue like the administration of the reverted areas.

ARI Board Member Refutes President's Claim of Crisis

PA2811041594 Panama City LA PRENSA in Spanish 27 Nov 94 p 1a

[Article by Jose Quintero De Leon]

[FBIS Translated Text] A member of the Board of Directors of the Interoceanic Region Authority (ARI), who charged that President Ernesto Perez Balladares seeks to achieve absolute control over it, categorically refuted the president's statements about an alleged crisis within this organization.

Perez Balladares told the media that he never tried to impose a candidate for ARI manager on the ARI Board of Director out of respect for its charter. He also denied having made an offer to ARI Manager Jose Chen Barria for his resignation.

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The president also said that it is absurd for him, being the head of government, to not have some degree of say in ARI affairs, especially when negative decisions or decisions that undermine national interests are involved.

The ARI leader, who requested anonymity, said that the fact that the charter gives the Board of Directors autonomy to adopt measures does not prevent the executive branch from meddling in its affairs when important decisions such as economic transactions, for example, the sale of property and land, are involved.

He added that the current law allows this, and as an example, he recalled that the ARI Board of Directors held talks with the Social Security Fund to sell the Coco Solo Naval Hospital when it reverted to Panama.

The source added that this transaction was approved by the Cabinet Council and received a final approval from the Legislative Assembly's Canal Affairs Committee.

It is untrue that the current law prevents the executive branch or other state agencies from meddling in ARI affairs, "Perez Balladares is actually seeking absolute control of the ARI," he denounced.

The source pointed out that, in keeping with the current law, any decision made by the Board of Directors (regarding a sale, rent, or swap) must go through the executive branch.

The ARI Board of Directors member admitted that the legislative branch has a right to reform the law, but refuted the president's initial statement that he cannot meddle in ARI's affairs.

In the opinion of the source, the core of the matter is another issue. The appointment of Chen Barria as manager is in question. In this regard, he underscored that the Board of Directors fully supports the appointment of Chen Barria as ARI manager.

He thinks that Chen Barria's sin was to have "frozen" the confiscated properties of Noriega collaborators who benefited by presidential pardons. Chen Barria explained that a pardon does not imply the unfreezing of properties.

The source added that this action paralyzed 200 upcoming pardons for a large number of former soldiers who are in detention and for other high-ranking officials of the previous government who kept land, houses, yachts, and other property belonging to the state.

He also refuted the president's claim that he never promoted the candidacy of Fernando Aramburu Porras for ARI manager. The source said that Perez Balladares did not do this personally, but did it through two ministers (Gabriel Lewis Galindo and Guillermo Chapman), an ambassador (Ricardo Alberto Arias), and a party president (Samuel Lewis Galindo).

"All of them came to visit us and brought the president's message that he wanted Aramburu Porras to fill that post, and they cannot deny this," the ARI Board of Directors member added.

As a result of this, he said, Chen Barria's hands as manager are tied, just because he refused to yield to pressure.

To bolster his efforts, the source added, Perez Balladares has forged an alliance with ARI President Carlos Mendoza to prevent Chen Barria from developing any project for the benefit of the reverted areas.

Minister: Canal Labor Code Should Not Be Changed

PA2411032694 Panama City LA PRENSA in Spanish 22 Nov 94 p 1

[Report by Ibeth Vega C.]

[FBIS Translated Text] Labor Minister Mitchel Doens said yesterday the current Panama Canal Commission labor code, which prohibits strikes in the Canal, should not be changed after 31 December 1999, because it has proven to be efficient.

The efficient running of the Panama Canal is due to various reasons, including the Canal's current federal labor code according to Doens.

The labor minister's comments were made during discussions with various Panama Canal labor sectors that oppose the constitutional title under debate in the Legislative Assembly, because it is argued a clause in one of the provisions violates the right to strike.

The Panama Canal is a U.S. Government company that will be turned over to Panama o 31 December 1999 in keeping with the Torrijos-Carter . reaties signed in 1977. Panamanian laws, which allow the right to strike, will be in force from that date on.

The labor issue is among the issues hampering the prospects of an agreement within the Democratic Revolutionary Party (PRD) majority of the Legislative Assembly in support of the constitutional title.

Doens said: "This issue is one that is deeply felt by all Panamanians, and, undoubtedly, I share the view of many party members who say they must respect the opinion of the majority of the country's active sectors in making a decision."

Doens added we will take some type of measure when "we have a full assessment of the opinion of the majority of the sectors, because there are many strong arguments against, but there are also many strong arguments in favor."

Doens said regarding this issue it is more important to begin creating a program for the transition than the mere act of creating a law.

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Argentina

SIDE Agent Meets Syrian Agents, Visits Lebanon

PY2511214694 Buenos Aires LA NACION in Spanish 24 Nov 94 p 6

[By special correspondent in Damascus]

[FBIS Translated Text] The Syrian response to Carlos Menem's request to cooperate in resolving the AMIA [Argentine Israeli Mutual Association] bombing did not take long. Sharply at 0800 on 23 November intelligence agents from Damascus picked up Rodrigo Toranzo, the SIDE [Secretariat for State Intelligence] second in command, from his hotel and went with him to Lebanon to investigate the connection between terrorist groups operating in Lebanon and the massacre in Buenos Aires.

According to official sources, Syria's sudden interest in cooperating in the resolution of the bombing represents a direct response to a direct request that Menem made on 22 November to his Syrian counterpart, Hafiz al-Asad, who, even though he would not like to become involved, does not want his government to be linked to the bombing. It is known that various guerrilla groups are operating from territories that are under his control.

Al-Asad also wants to establish that the clues leading to Tehran are not the correct ones. The Syrian president has said: "If you look at Iran, you are mistaken," thus hinting at the fact that the Argentine Government has so far incorrectly assessed the clues and that Damascus knows much more than it claims.

Before leaving for Buenos Aires, government officials emphasized: "His firm defense of Iran and his firm remarks make us believe that his intelligence services have much more to tell us about who the perpetrators were."

Syrian Control

The obvious reason for Toranzo's quick visit to Lebanon is that Hizballah, an extremist group that has thus far been held responsible for the bombing, has its most important bases of operations in this country.

Of course, in order to finally understand this history, it is important to point out that Hizballah is based in a territory that is under strict Syrian military control. As has been demonstrated here day and night, the Syrians are not exactly amateurs when it comes to knowing what the people roaming about in their zone do, say, and believe. The greatest hope obviously is that Toranzo's visit will accelerate the feeble investigations.

Following the meetings with al-Asad and during the top-level diplomatic negotiations on Syria's approval of Toranzo's visit to the zone where it is believed the tragic bombing was planned, an Argentine official conceded: "We need solid clues because, for the time being, nothing is clear. At this moment and given its absolute control over this zone, Syria alone can help us."

With the Syrian support for the investigations, this trip was extremely satisfactory, considering that it had been arranged merely to celebrate Carlos Menem's return, as president, to a country that lodged his parents 70 years ago.

Officials Explain Intelligence Operation

PY2511211694 Buenos Aires CLARIN in Spanish 24 Nov 94 p 6

[By special correspondent]

[FBIS Translated Excerpt] Damascus — It was just a few minutes before President Carlos Menem left Damascus to visit the village of his parents, Yabrud, where he would be received as a prodigal son, that Rodrigo Toranzo, chief of Secretariat B, Foreign Secretariat of the SIDE [Secretariat for State Intelligence], also left the Syrian capital, to travel toward the al-Biqa' Valley, southern Lebanon, accompanied by Syrian intelligence agents to spend a few days carrying out a secret investigation in a settlement of the Hizballah, the pro-Iranian fundamentalist group that is believed to be responsible for the anti-Jewish attacks in Buenos Aires.

High-ranking officials of the Argentine delegation that unofficially leaked the information immediately explained the political framework of the situation. They indicated that it is the concrete and immediate beginning of the implementation of the Syrian intelligence support that Menem requested from Hafiz al-Asad, who gave an affirmative answer.

Of course, this information was leaked intentionally. The government has given top priority to the need to demonstrate that Menem's political success regarding the request for help was more than a symbolic political statement.

Menem's decision to include the topic in the agenda of his meetings with al-Asad did not imply an improvised shock tactic, but a carefully prepared strategy. "The decision to replace SIDE Secretary Hugo Anzorreguy with Toranzo at the last moment was due to the fact that this joint operation in the al-Biqa' Valley was already being discussed and if the outcome were to be favorable then it was not appropriate to expose the country's top intelligence man," the officials said. [passage omitted]

Article on 3-Border Fundamentalist Training Camp

PY2511191094 Buenos Aires LA NACION in Spanish 25 Nov 94 p 4

[Article by Cesar L. Sanchez Bonifato]

[FBIS Translated Text] Posadas, 24 Nov—In no way can we rule out the possibility that fundamentalist commandos are operating and training in the hot three-border area comprising Puerto Iguazu, Foz do Iguacu (Brazil), and Ciudad del Este [Paraguay], and using it as a haven or a training camp.

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Its own characteristics makes the area dangerous: Yesterday there was a 14-km line of 450 Brazilian trucks that were trying to cross over the Parana River. These trucks carry in-transit goods that are later sold freely at Paraguayan shops. Most of these shops are managed by Lebanese, Koreans, Chinese from Hong Kong, Malaysians, and some local people.

The pedestrian traffic is absolutely out of control. Sales in Ciudad del Este total millions. The increase in criminal activities—killings, robberies, trafficking of weapons and stolen cars, prostitution, and clandestine gambling—overwhelms local police, who can hardly do anything since they lack the means required.

There is also vast quantities of merchandise and pedestrian traffic now on the Argentine side. Two Paraguayan deputies, Dario Palacios from the Colorado Party and Benjamin Benitez from the Liberal Party, recently reported that between Posadas and Encarnacion there is also huge traffic in containers "sealed in the country of origin," with weapons for the Southern Cone's illegal market. These containers are carried by railroad cars crossing over the San Roque Gonzalez de Santa Cruz bridge.

This highly profitable business has been managed since the times of [former Paraguayan President] Alfredo Stroessner's dictatorship by people close to the local power circle in Asuncion, with obvious ties in Argentina and Brazil. The Bulgarian mafia, established between Encarnacion and Ciudad del Este, has allegedly been participating in this business recently.

Lebanese Ambassador to Paraguay Nazir Ahmad Chamass yesterday denied that his Arab fellow countrymen are preparing an attack against Yacyreta [a binational hydroelectric dam project involving Paraguay and Argentina], as mentioned by some media in Buenos Aires.

The diplomat, who stakes his life on his fellow countrymen, emphasized: "Neither against Yacyreta nor against any other place." He emphasized that, thus far, not a single Lebanese citizen has been involved in terrorist actions, "let alone those carried out in Argentina."

The security issue of the Yacyreta dam, a large portion of which has been constructed in Paraguayan territory, remains unsolved and has been giving rise to complex negotiations between the two foreign ministries, given its delicate implications.

Petrella To Raise Subsidies Issue at Summit

PY2611024994 Madrid EFE in Spanish 0653 GMT 25 Nov 94

[FBIS Translated Text] Buenos Aires, 25 Nov (EFE)—Argentina will raise at the upcoming "Americas Summit" a regional commitment to remove the agricultural subsidies implemented by the United States and Canada and reject the subsidized prices offered by the European countries.

Argentine Foreign Vice Minister Fernando Petrella told EFE today that this will be "a key goal" for Argentina at the summit scheduled for December in Miami (United States).

Petrella pointed out that another interesting proposal for Argentina "involves reaching an agreement, with specific deadlines and dates, to establish a free trade zone in America."

Petrella, the Argentine coordinator in the multinational group that is preparing the Miami summit's agenda, pointed out that Argentina would also promote new rules for Inter-American security and the struggle against terrorism and drug trafficking.

Petrella emphasized: "It is necessary to implement measures of mutual trust, exchange information, and abolish the TIAR (Inter-American Reciprocal Assistance Treaty), which is good for nothing." He thus noted that "there is no longer an East-West conflict."

TIAR, a treaty on reciprocal assistance for attacks by extracontinental powers, was signed during the so-called "Cold War" with the former USSR. It was not implemented when the 1982 war between Argentina and the United Kingdom over the Malvinas Islands broke out.

The Argentine foreign vice minister said the American countries "should establish an organization for a permanent pursuit" of the struggle against drug trafficking and terrorism.

In this regard, Petrella believes this organization "might be of a supranational level." He also denied that this possibility would be flatly rejected by the Latin American countries.

Argentina is the first non-European country with which the United States has established a bilateral cooperation commission on regional defense and security.

Petrella ultimately indicated that Argentina is seeking the Latin American countries' support for the United Nations "to advance" in the establishment of a "white helmets" corps for international humanitarian assistance that was proposed by Argentine President Carlos Menem.

According to private estimates, the U.S. and European agricultural subsidies cause Argentina to lose $1.5 billion per year in additional grain exports.

The Menem administration is waging a diplomatic battle to block the wheat offers, with subsidized prices, that Canada and the European Union are making to Argentina's customers.

The Argentine agriculture and livestock producers are requesting state assistance to reschedule their $5.2 billion debts. They emphasize that another $6 billion in fresh loans are required to reduce the crisis.

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The Argentine agriculture and livestock sector has benefited from the recent international price increases and the Menem administration is implementing a transformation program that has been described as insufficient by the producers.

Senate Approves Declaration on Cavallo, U.S. Envoy

PY2511154294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1705 GMT 24 Nov 94

[FBIS Translated Text] Buenos Aires, 24 Nov (NA)—The Senate has approved a draft declaration expressing its annoyance at Economy Minister Domingo Cavallo's "excessive, disrespectful, and unfair treatment" of the Senate because of its approval of the bill privatizing the post office.

The Senate also decided to request the Foreign Ministry to ask U.S. Ambassador James Cheek "to clarify what he meant by his remarks on this house's activity."

The two projects were approved unanimously with the vote of the 28 Senators present during the special session convened to discuss Cavallo's and Cheek's criticism of the Senate for its approval of the controversial bill.

Foreign Minister Explains Malvinas Opinion Poll

MS2511132694 London THE TIMES in English 25 Nov 94 p 21

[Letter from Foreign Minister Guido di Tella: "Result of Falklands Sovereignty Poll"]

[FBIS Transcribed Text] Sir, The furore over the opinion poll conducted in the Malvinas Islands (reports, November 3 and 4) [not filed] calls for explanation and comment.

The poll was organised by MORI [Market and Research International], at the request of their Argentine colleagues Mora y Araujo, Noguera y Asociados, for companies operating in our country whose need for information about business prospects in the South Atlantic—fisheries, oil exploration, etc—is self-evident.

For Argentina the possibility of purchasing sovereignty over the islands does not arise. The task we have undertaken is their recovery, through diplomatic channels and in peace. This was recently established in our constitution, which also guarantees respect for the islanders' lifestyle, the continuation of common law, and the right to decide on education, taxes and justice.

We have stated that we are ready to consider the possibility of economic compensation—Sir Alan Walters, the economist who was a member of Mrs Thatcher's team, first expressed the idea in 1993—and we realise that such compensation would need to be on a significant scale. However, the specific amounts mentioned in your reports as potentially on offer to individual islanders ("about 1 million pounds") were based on the questions asked by the pollsters. They in no way reflect our own thinking on the matter.

The poll shows an understandable diversity of opinion among the islanders; 12 per cent state they are prepared to discuss sovereignty and 28 per cent say they would be ready to consider some sort of compensation, in spite of the fact that Argentina has made no offer yet.

The fact that Argentina is considering these options should not be regarded as offensive to anybody. Any offer may be accepted or rejected. Opinions and options may evolve in time.

Di Tella Editorial Discusses Falklands Issue

PY2411170594 Buenos Aires LA PRENSA in Spanish 23 Nov 94 p 26

[Editorial by Foreign Minister Guido Di Tella: "Malvinas: If We Want, We Can"]

[FBIS Translated Text] The policies currently being implemented by President Menem and, therefore, by the Argentine Foreign Ministry in connection with the Malvinas issue are both reaffirming and changing our country's longstanding positions. Reaffirmations and changes deserve a global evaluation.

Argentina has emphasized a course of action followed in the 1970's: The pursuit of advancements in economic cooperation and communications with the islands and the proposal of guarantees for the islanders to protect their way of life. These guarantees have now received a constitutional status.

The provisional results of this policy, which has been described as a seduction strategy, may be judged from a poll conducted by the British MORI [expansion unknown] Consulting Company. The poll was requested by the consulting firm of Mora y Araujo, Noguera and Associates. It was ordered by private companies operating in Argentina. This poll has revealed very substantial information, but some very significant figures may be emphasized:

Twelve percent of the islanders are willing to discuss sovereignty.

Twenty-eight percent of the islanders are willing to consider economic compensation as part of the solution as long as various points, involving security and protection of their way of life, are respected.

Nineteen percent of the islanders describe Argentines as being friendly, although 55 percent describe us as being dishonest and belligerent.

Fifty-seven percent of the islanders support cooperation with Argentina on issues that do not include sovereignty.

Given these figures, some people may talk about a half-empty glass, while others may talk about a half-full glass. We are actually filling this glass and it is still not half-full. Dissemination of the MORI poll prompted debate both in the islands and among us. Suspicions concentrated on the issue of economic compensation, in particular.

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Concerning this issue, I want to confirm what we have said and what we have not said: Upon learning of a proposal raised by Sir Alan Walters, a prominent adviser to [former UK Prime Minister Margaret] Thatcher and the person who conceived of this idea, we pointed out our willingness to consider the possibility of compensation for the islanders if this issue cropped up within the framework of negotiations on sovereignty. We have never raised a specific proposal, let alone considered figures.

We actually believe the strategy of enhancing trust in the islanders and the prospect of recovering the islands must, of course, take into account economic points and even compensation. President Menem has been specific with regard to the correctness of including these points and has given similar international examples. The MORI poll figures indicate that we have a basis—not a small one—to begin with. They also indicate that our uphill effort will be difficult.

Criticism

Our entire strategy has been criticized. It is worthwile to review this criticism.

1. We have been criticized, for example, for making so many efforts to convince the islanders when the decision with regard to recognizing our sovereignty does not depend on them, but on the British Parliament (along with the Argentine Congress).

Our effort to convince the islanders did not involve, however, neglecting the British Parliament. I did not pay a large number of "private" visits to London by chance. During these visits, I specifically, but not exclusively, dedicated myself to establishing relations with the British hardline politicians in connection with the Malvinas issue, and establishing open dialogue and ties of trust with them.

It is also not by chance that the British Government has repeatedly admitted that, if the islanders are inclined toward accepting Argentine sovereignty over the Malvinas, the United Kingdom would not raise any objections. London does not say the same for other territories in a similar situation, and the implementation of a similar criterion in Northern Ireland has cost decades of extreme violence.

We are working, therefore, on the British Parliament. We are also keeping our claim alive at the UN level. We achieved a unanimous vote, for the second consecutive year, in the UN Decolonization Committee. I have begun to personally attend the UN Decolonization Committee's meetings.

Argentine Strategy

It is necessary to understand that the Argentine strategy is being implemented at various complementary levels. Nevertheless, the Malvinas Islands rather than the United Nations are responsible for the British Parliament's change of opinion: The UK MP's will not decide themselves to negotiate the sovereignty of the islands if the islanders do not support this course of action.

It is paradoxical for a population of slightly more than 2,000 inhabitants to have more decisionmaking power than that to which they are legally entitled, yet it is a fact.

2. The so-called seduction strategy merely implements and develops the attempts made in the 1970's and continuing up until 1982. The fact that some people have criticized us for exposing ourselves, by implementing this seduction strategy, to "dishonorable rebuffs" indicates the despair of these critics over the fact that the foreign minister does not share their fixed views.

3. The monetary compensation issue has caused a major scandal. There have also been some surprising agreements involving some recent prominent critics, the British governor of the islands, and the leading hardline Malvinas Islands politician, who have condemned this possibility, describing it as "immoral."

Other people have criticized the inclusion of monetary issues in the recovery of the islands because it would involve depriving the claim of its quintessence. These people are very nearly arguing that the only honorable way to recover sovereignty would be by resorting to heroic methods. We had heroes in 1982, but we did not achieve sovereignty. Let us not again put this type of courage to the test. Let us take heart and use the type of courage required at this time: To promote the appropriate strategies and give up the routine comfort of cliches.

It is precisely when things begin to work that some critics, instead of using their much-vaunted courage, act with fear. They fear giving up their fixed views, views without risks, but without prospects.

4. Other critics raise objections over the huge amounts mentioned. We have not made a decision on this point. Concerning definitive figures, it will be up to Congress and the Argentine nation to make a final decision.

President Menem has used the same courage in changing the economy and implementing this foreign policy, and is demonstrating it now in the effort to recover the Malvinas Islands.

In brief, if we have been able to attract, within a few years, the interest of at least one-fourth of the Malvinas Islands inhabitants, there is little doubt that, once allowed to thoroughly explain our viewpoints on the Malvinas Islands, we will be able to achieve our goal within a few years.

Nowadays, there are reasonable grounds to say that if we want the Malvinas Islands, we can have them.

Survey Shows Menem Leading Presidential Race

PY2311193894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1324 GMT 23 Nov 94

[FBIS Translated Text] Buenos Aires, 23 Nov (NA)—According to a survey released today, President Carlos

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Menem is leading the list of people's preferences for president in 11 out of 12 electoral districts, including the Federal Capital and Cordoba.

The survey shows that in the country's 12 districts, the Justicialist Party receives 33.4 percent of the total support. The Radical Civic Union [UCR] comes second with 14.5 percent and the Grand Front third with 13.5 percent support. A total of 24.5 percent of those questioned said they are still undecided.

The UCR heads the list of people's preferences in Rio Negro Province, where presidential candidate Horacio Massaccesi receives 26.6 percent support.

The survey, conducted between 15 October and 15 November by the Julio Aurelio study and published today by LA NACION, questioned 5,360 persons.

The survey questioned potential voters in the Federal Capital, Buenos Aires, Santa Fe, Cordoba, Mendoza, Rio Negro, Santiago del Estero, Formosa, Chubut, La Rioja, Tucuman, and Entre Rios.

Menem's reelection receives the most support in La Rioja, where he obtains 55.3 percent, and Formosa, where he obtains 51.6 percent support.

According to the survey, the Grand Front is second in the Federal Capital, Buenos Aires, Entre Rios, Santa Fe, and Mendoza.

The UCR is second in the other districts, including Cordoba, except for Rio Negro, where this party is first.

The Grand Front has suffered a strong loss in the Federal Capital. The Front obtained 37.5 percent of the votes in the election for the Constituent Assembly last April, but the survey now shows their support dropping to only 17.5 percent.

The largest group of undecided voters is in Buenos Aires Province, where the figure is 36.2 percent. In the Federal Capital 28.6 percent of potential voters are undecided, while in Santa Fe only 8.9 percent of the people are still undecided.

Alfonsin on Olivos Pact, Constitution, UCR

BR2311134194 Madrid EL PAIS in Spanish 22 Nov 94 p 8

[Interview with Argentine Radical Civic Union Chairman Raul Alfonsin by Juan Jesus Aznarez in Buenos Aires; date not given: "We Must Spread Out Net To Protect Democracy"]

[FBIS Translated Text] Former President Raul Alfonsin, aged 67, who worked for democracy at one of the most difficult moments in Argentine history and who is chairman of the Radical Civic Union (UCR), maintains with great optimism that this 100-year-old party's decline is only "apparent," and that it will prevail again in next May's general election. "I am making a great effort to recover the ethical and social sense of politics in Argentina," he told EL PAIS at his home on Santa Fe Avenue.

The first anniversary has just been reached of the Olivos Pact between Carlos Menem and Alfonsin, which, as its most striking aspect, constitutionally facilitates a second presidential term. Alfonsin, who is accused of meekness in his relations with the government by a proportion of the party members, reaffirmed the need for that agreement in order to prevent a dangerous division of society and incidentally to make substantial changes to the 1853 Constitution. He advocates a social pact to protect democracy and believes that Peruvian President Alberto Fujimori "is a misfortune for Latin America."

[Aznarez] Why is the UCR losing so many votes? Because of the Olivos Pact?

[Alfonsin] The loss of votes in the constitutional and provincial elections is the result of monumental mistakes by our leaders. Any political party's need to discuss everything that must be discussed was not taken into account. There were those who did not accept the majority decision of the party's leadership bodies and who even mobilized a different stance in society. That brought about a good election for the Big Front (a new center-left grouping), which is a conglomeration which could not have had that election. They were two elections lost through lack of party discipline.

[Aznarez] Are you able to regain ground?

[Alfonsin] We are experiencing a lame democracy; I will not say in Unamuno's words lame and one-handed, but I will say lame, at least. It must be imbued with a social sense which it does not have, and this requires a struggle which does not call for heroics or martyrdom but simply for the study, analysis, and deliberation of different proposals. I am one of those who believe that it is absolutely essential to analyze the possibilities for the modernization of the welfare state. The neoconservative view has spread like wildfire through all the ideologies—even in socialist thinking.

[Aznarez] What do you advocate?

[Alfonsin] The welfare state should spring from an implicit policy of agreements between employers, workers, and the state. I am now operating in a similar thing, but, instead of the state, the parties, because I believe that in the short term or the long term the convertibility plan (which establishes the parity between the peso and the dollar and is the mainstay of the government's economic program) will incorporate changes, and it is impossible that this will lead to complete disaster. We must spread out between everybody a kind of net to protect democracy.

[Aznarez] An Olivos Pact II?

[Alfonsin] That has nothing to do with it. It will cost me a great deal, and it will be very difficult for the (ruling)

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Justicialist Party to come to that discussion, but, at any event, this must be attempted, and if it refuses, then let it refuse, but let us not exclude it.

[Aznarez] This is the first anniversary of the agreement on a constitutional reform, and you are still being criticized for it...

[Alfonsin] Have you read the new Constitution?

[Aznarez] Not all of it, but the most essential aspects.

[Alfonsin] Read it, do so, because you will see how good it is; some things are taken from the Spanish Constitution. It is much better than the 1853 Constitution. We have saved political peace in Argentina, because the reform was going to be effected anyhow. At that time we put forward some conditions which are all the ones which we placed in the Constitution in order to secure greater juridical security, weaken the executive branch, give the Congress greater power, and provide better republican controls.

[Aznarez] The UCR sets out as the loser in next May's election.

[Alfonsin] It is not yet known what will happen here. You will see. In Argentina, you cannot predict what will happen in seven months' time. There is a great deal to be said.

[Aznarez] In a second round?

[Alfonsin] We are going to try to persuade everybody to vote for us. (Laughs) And we could win. Why not? Nobody knows. The UCR could win the election.

[Aznarez] Some opinion polls already place you behind the Big Front, which would thus supplant radicalism as the second-ranking force.

[Alfonsin] No, by no means. It is not even a possibility. The Big Front cannot come second by any means. We had twice as many convencionales (deputies in the Constituent Assembly) as them in the worst election we have had, and the worst of all because the party's major leaders were working against the party until the last day. And it was their best election because it was something new...

[Aznarez] How do you bear so many criticisms?

[Alfonsin] I bear them and do not become angry except when they speak to me of my conduct, which is the only thing that in general is not attacked. To say, for instance, that I aim to be a principal private secretary [jefe de gabinete] in a government which I bitterly oppose is something that cannot be tolerated. Then let them tell me that I am useless, that I am no good, and so forth, since all that...I am thick-skinned now. That does not matter to me. (Laughs).

Horacio Massaccesi Wins UCR Internal Elections

PY2811110294 Buenos Aires TELAM in Spanish 0240 GMT 28 Nov 94

[FBIS Translated Excerpt] Buenos Aires, 27 Nov (TELAM)—The internal elections of the Radical Civic Union [UCR] have ended in a clear victory in 21 provinces for Horacio Massaccesi, of Rio Negro Province, who obtained a comfortable victory over Federico Storani, of Buenos Aires Province, who only won in three districts.

The ample lead in the Provinces of Buenos Aires and Cordoba, and the strong support Massaccesi received in the Patagonian area pushed the results in his favor. [passage omitted]

Bolivia

Consul in Haiti Linked to Arms for Use Against Aristide

PA2711160194 Paris AFP in Spanish 1500 GMT 27 Nov 94

[FBIS Translated Text] La Paz, 27 Nov (AFP)—Today, Bolivia's FIDES NEWS AGENCY reported that Bolivian Consul in Haiti Louis Lamothe has been dismissed by the Foreign Ministry in La Paz "after a weapons cache was discovered in his home, which was allegedly destined to be used against the government of President Jean-Bertrand Aristide."

The news agency, citing "reliable sources in Port-au-Prince," added that Lamothe, a Haitian national, might be linked to the paramilitary groups that resisted U.S. military intervention in Haiti and supported former de facto President Raoul Cedras.

Likewise, FIDES cited a report by Bolivian Police Commander General Luis Rocha Martinez, saying he had received a dispatch from Colonel Roberto Perez Telleria, commander of the contingent of 106 Bolivian soldiers currently cooperating with international peacekeeping forces in Haiti since September.

The official report, according to FIDES, explains, "an operation was conducted in early November at Lamoche's house, located in the center of Port-au-Prince, and that gas hand grenades [granades de gas], pistols, rifles, grenade launchers, missiles, and assorted ammunition were uncovered."

The report ends by saying that during interrogation the diplomat claimed the weapons belonged to one of his sons. However, Lamothe added, his son failed to surrender the weapons to the UN Security Council mission in Haiti.

Bolivia Hopes Miami Summit Not To Center on Drugs

PY2511154894 Madrid EFE in Spanish 0652 GMT 25 Nov 94

[FBIS Translated Text] La Paz, 25 Nov (EFE)—Bolivian Foreign Ministry sources have informed EFE that the Bolivian proposal to the Summit of the Americas summoned by U.S. President Bill Clinton for December will be based on the Declaration of Principles issued by the Rio Group presidents.

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The preparatory meeting to be held on 28, 29 and 30 November in Miami, which is to be attended by Rio Group coordinators and the organizers of the Summit of the Americas, will review the regional issues to be included on the summit's agenda.

Bolivian Foreign Relations Secretary Jaime Aparicio will represent Bolivia at this meeting.

Aparicio said that Bolivia hopes that the Summit of the Americas "will not center on narcotics issues," that is, that it will not center its discussions on drug enforcement strategies in Latin America.

In addition to the proposals included in the Rio Group Declaration of Principles, the Bolivian Foreign Ministry—in conjunction with the human development and economic development ministries—is studying the possibility of including on the summit's agenda a discussion of the structural reforms implemented in Bolivia, such as the popular participation and the educational reform laws.

Bolivia, among others, is also proposing discussion of the sustainable development of Latin American countries, and the importance of reactivating and expanding territorial and energy integration projects within the framework of the different regional and subregional integration processes that are under way.

Bolivian Foreign Ministry sources said that "one of the main concerns of Rio Group countries is finding mechanisms to eradicate extreme poverty in the region and achieving social stability."

The same sources added that because countries in the region are interested in developing trade at the bilateral and multilateral level with the United States, they are supporting the Brazilian proposal for establishing a Latin American Free Trade Market with the United States.

Armed Forces Spokesman on Ties With Chile

PY2611024594 Cochabamba LOS TIEMPOS in Spanish 20 Nov 94 p A1

[FBIS Translated Text] La Paz, 19 Nov (LOS TIEMPOS)—Official spokesmen of the Armed Forces Command said today that the resumption of diplomatic relations with Chile must necessarily be subordinated to the Bolivian sea outlet issue. This comment was made in answer to the reiterated Chilean position that bilateral links with Bolivia are based on the principle that borders are "perfectly defined."

"This must be one of the basic conditions (solution of the sea outlet issue) for the reestablishment of diplomatic relations with Chile," said General Carlos Macias Klarjevic, chief of staff of the Armed Forces Command.

The military position is completely different from the stand taken by the government of President Gonzalo Sanchez de Lozada who advocates rapprochement with Chile through a systematic "commercial" integration with our neighbor to carry out common goals of "progress and development."

"We do not need to own the cow to drink the milk" said President Sanchez de Lozada in one of his many comments on the one hundred-year-old Bolivian sea problem.

Portuguese, Slovakian, Bolivian Arms Trafficking Reappears

PY2311232694 Cochabamba LOS TIEMPOS in Spanish 15 Nov 94 p A2

[FBIS Translated Text] La Paz, 14 Nov (LOS TIEMPOS)—The Bolivian Defense Minister reported yesterday that over the past few days the Foreign Ministry has begun intensive negotiations through Interpol in Europe and countries of the former socialist bloc in an effort to locate underground groups which have reportedly resumed international weapons trafficking on behalf of Bolivia.

It was reported a few days ago that, despite investigations and the arrest of some civilian and military individuals, arms trafficking continues in Europe. This illegal activity seems to be promoted by the Portuguese "ETEM-Portugal" [expansion unknown] materiel trading company.

The reports state that Portuguese citizen Jose Saldanha, who is said to have infiltrated Cofadena (Armed Forces National Development Corporation) and involved three Bolivian Army generals and a Navy Vice Admiral in the illegal deals, continues to operate, protected by counterfeit Bolivian documents.

The news to reach La Paz over the past weekend states: "A Bolivian certificate has been detected in Slovakia. It was produced by Pedro Fierro, Salanha's agent in Chile and a previous receiver of documents sent from La Paz by Carlos Terceros, a Bolivian citizen who is now under arrest."

Bolivian Defense Minister Raul Tovar Pierola confirmed the report and said his ministry has asked the Foreign Ministry to alert Bolivian embassies and military attaches abroad to "detect those responsible."

Tovar says "weapons trafficking" is an "extremely serious matter," because it involves the Bolivian state. He said: "We have taken steps and now await intelligence organization reports to know exactly what is happening."

Defense Minister: Armed Forces 'Not Politicized'

PY2611021994 La Paz PRESENCIA in Spanish 21 Nov 94 p 5

[FBIS Translated Text] Defense Minister Raul Tovar said yesterday that "not even in social meetings" are political issues discussed by members of the Armed

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Forces. He also discarded any political interference during the upcoming reorganization of the high military command.

Tovar made these comments after being asked about this possibility which was admitted by the main military leaders.

Tovar added that the approval of the project extending military service to 35 years depends on the president who will get the project in late November.

Tovar said: "The Armed Forces are not politicized. I perceive from the high military commands that the alleged politization does not exist. I never talk politics with them, not even in social gatherings."

He added: "Also, I can guarantee that the president is the authority that respects most the institutionality of the Armed Forces because he is extremely respectful of the framework of professionalism which determines the promotions in the military institutions."

Armed Forces Commander General Fernando Sanjines said a few days ago that the current military leaders "are not interested in an extension" of their commands. This was his answer to reports citing "reliable sources" about an alleged uneasiness in the Armed Forces in view of this possibility.

Tovar believes that the absolute respect for the military career, free of all kinds of influence, is the correct path to guarantee a highly professionalized institution that is respectful of the constitutional framework of a state of law.

He said: "We (the government) strictly respect this principle and positions are filled by individuals based on their professionalism."

He added: "Therefore, we cannot make a mistake by choosing an individual who has the merits to hold a command post. If an individual who does not meet the requirements is chosen, you (the media) have the right to make the appropriate observations."

In this regard, Tovar did not confirm or deny a change in the military command. He pointed out the president's constitutional right to either confirm or replace, partially or totally, the current Armed Forces command.

Tovar said: "A change in the Armed Forces command has not been considered for the time being. The president has been extremely busy and has made no comments to me on this issue. It is his right to make a final decision."

Tovar also confirmed that the military chiefs who hope to become generals in the Army, and Air Force, and admirals in the Navy will not be summoned this year the way it was done last year. The extension from four to five years in the rank of colonel established in the Armed Forces Organic Law currently in force supports this official decision.

Armed Forces Laud Sanchez' Handling of Coca-Cocaine Issue

PY2311215994 La Paz LA RAZON in Spanish 15 Nov 94 p A2

[FBIS Translated Text] Armed Forces Commander General Fernando Sanjines said yesterday that the "zero option" proposal submitted by the government to the Paris Consultative Group will solve the socioeconomic problems of the peasants who produce coca, especially those of the Chapare region.

The commander warned, however, that the "zero option" is a measure that requires consensus among the different social sectors of the country because it affects the lives of thousands of peasants who produce coca.

Gen. Sanjines said: "The best thing that can be done is to find solutions to the drug trafficking problem, within a consensus. The Armed Forces praise President Gonzalo Sanchez de Lozada's initiative to hold the great national debate on the coca-cocaine issue."

Government To Relocate Peasants

PY2411223694 La Paz PRESENCIA in Spanish 15 Nov 94 p 6

[FBIS Translated Text] Miguel Urioste, chief of the ruling Free Bolivia Movement (MBL), yesterday said that "the government will offer Chapare peasants the low lands of Santa Cruz, parts of the Chaco region in Santa Cruz department, the Chaco region in Tarija department, and also that in Chuquisaca department, so that they may settle these areas and gradually leave the Cochabamba tropical region."

He added that these areas are state-owned and that they will be granted "completely free" to peasants in compliance with the laws.

Urioste said: "These encompass completely different fiscal properties, like the low lands in Santa Cruz department. These are 900,000 hectares of unpopulated land that have been reinstated to the state and are ready to be settled."

Although Urioste said these are unpopulated areas, he asserted that there is electricity and that it is farm land.

He said: "Chapare is not Bolivia and coca producers do not represent the three million Bolivian peasants." He added that it is necessary "to differentiate between what peasants say from what their leaders say. The latter live off coca. They are leaders because there is coca in Chapare."

He said: "We cannot live under the constant pressure of a group of peasants." He added that "It is not part of the national program for the coca-related economy to be based on narcotrafficking."

Urioste said: "The MBL was informed about this issue. It learned about the 'Zero Option' plan and we assumed

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our responsibility." He added that "Bolivia must understand that it needs the 'Zero Option' to promote massive investment not only in Chapare but in the entire country. It is not a question of replacing one crop with another but of replacing that coca economy with a legal economy."

Although this proposal was suggested by the United States three years ago, Urioste asserted that "the 'Zero Option' is not a U.S. imposition" but "a sovereign Bolivian decision based on the firm conviction that it is necessary to change."

Although he admitted that in the United States "there are certain groups that want to adopt strong measures against Colombia, Peru and Bolivia," he said that the warning by Deputy Ramiro Barrenechea, of the Pachacuti Axis, about preparations for a military intervention, is senseless. Urioste said: "Barrenechea is featherbrained."

He added: "The president has admitted his own failure regarding the alternative development program. Now we have to deal with the problem head on."

Urioste added: "The 'Zero Option' is being maliciously misinterpreted as a government plan to kill peasants, to expel them, which is something utterly inconceivable."

He added that "it is very likely that narcotrafficking will transfer to other areas such as Yungas." Urioste said: "This is the Bolivian drama which should be an issue of great concern."

ADN Opposes 'Zero Option' Plan

PY2511230394 La Paz PRESENCIA in Spanish 21 Nov 94 p 5

[FBIS Translated Text] The Nationalist Democratic Action (ADN) has released a document saying that the eventual reversion of the land in the Chapare to the state proposed in the so-called "Zero Option" plan will close an important development center for the country and will condemn Cochabamba Department to a dangerous economic paralysis.

Regarding the proposal the ADN had already made in 1993, the document says: "Rescuing the concept of alternative development, the ADN not only proposed the substitution of agriculture by agriculture but also the need for massive investments in order to replace one economy by another."

The basic principle of this proposal is: Offer effective incentives to get massive investments for that region to allow a gradual and effective replacement of coca, and to guarantee the peasants adequate technical assistance with appropriate financing in order for their products to be competitive in the market.

The ADN agrees with the current administration that the international drug trafficking mafias are threatening national integrity and sovereignty.

This position was expressed in a document by Deputy Tito Hoz de Vila who is chief of the ADN congressional bloc.

The ADN reaffirms that the struggle against drug trafficking must be faced jointly by all national institutions. The document signed by Hoz de Vila adds: "Because of the seriousness of this problem, there should be no opposition or officialism but the strong will for achievements because only through the strength that comes from consensus will we be able to save Bolivia from the threat of drug trafficking which is trying to subdue the country to the dictates of an international mafia."

Within this context, the party founded by General Hugo Banzer proposes effective incentives that would attract massive investments for the tropical region of Cochabamba, where coca is produced, in order to create jobs and to sell the agricultural products replacing coca under competitive conditions.

The ADN proposal also guarantees coca growers that during the transition process they will have a market for the products replacing coca at a reasonable price in addition to a permanent monthly income for the subsistence of their families.

The ADN also says that the coca growers must get the benefits of the construction of schools and health centers, and of severance pay for the destruction of their coca plantations and for the use of their land if they decide to join the replacement process.

The ADN categorically rejects the so-called "Zero Option" which seeks to use the Chapare land for the creation of a large national park.

The document says the ADN opposes the "Zero Option" plan "not only because it would confiscate land but also because it would mean closing an important development center in the country and condeming Cochabamba Department to a dangerous economic paralysis."

The document adds: "Neither do we share the idea of reverting to the state the land used for coca growing because it would deprive the peasants of the possibility of incorporating themselves actively as land owners in the new dynamism of production created by the massive investment to be made in the Cochabamba tropical region."

The document signed by Hoz de Vila says: "We are convinced that the struggle against drug trafficking must be carried out intensively in all segments of the process, that is raw material production, industrialization, commercialization, and consumption. An isolated attack against only one of them will certainly lead to failure."

The document concludes by saying that the ADN reiterates its willigness to carry out a thorough study of the coca-cocaine problem, once the conditions prevail for a transparent national debate, so that the national strategy

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for dealing with the coca-cocaine issue will have the decisive support of the majority of the Bolivian people."

Ministry Report Quantifies Coca Plantation Increase

PY2311220394 Cochabamba LOS TIEMPOS in Spanish 18 Nov 94 p A6

[FBIS Translated Text] Since the coca replacement program began in 1986, production has increased by 5.1 percent and the areas of cultivation by 2 percent, especially in the tropical Cochabamba region.

This data was released by the Social Communication Ministry in light of the controversy caused by the Zero Option Program.

This source said 84,400 metric tons of coca are grown on just over 47,000 hectares, and that 652 tons of cocaine is manufactured from that production.

The data indicates that 70,500 metric tons of coca are produced in Cochabamba, followed by the Yungas of La Paz with 12,800 tons, and finally the La Paz region of Apolo with 1,100 metric tons of coca.

This data is based on the 1985 coca production figure of 63,300 tons.

One year later there was a national production of 72,800 tons; 78,200 tons in 1987; 79,500 in 1988; 78,200 in 1989; 77,000 in 1990; 78,000 in 1991; 80,300 in 1992; and 84,400 tons in 1993.

This shows that—with the exception of 1989 and 1990—coca plantations increased by between 1.3 and 5.1 percent. [sentence as published]

There are 32,900 hectares of plantations in Cochabamba and 14,300 in the department of La Paz; thus these are the two most important coca growing districts.

Although the ministry's does not say so, the Yungas region of La Paz is considered to be within the legal production area, while only 10 percent of Cochabamba plantations will survive the implementation of Law 1008.

Official on Organized Crime Related to Drugs

PY2311211794 Madrid EFE in Spanish 1239 GMT 22 Nov 94

[FBIS Translated Text] Naples (Italy), 22 Nov (EFE)—Bolivian delegation leader Hugo San Martin Arzabe today told the general assembly of the UN conference on "Organized Trans-national Crime" that drug trafficking "is the cause of all our calamities."

San Martin, who is the under secretary of the Government Ministry, said: "Drug trafficking is the hub of a series of related criminal activities, like the traffic of precursors that changes the innocuous nature of coca, and destroys our ecological system."

After mentioning the "related crimes" of money laundering—which distorts the economy and illegally transfers assets—San Martin pointed out that drug trafficking "has created a profound and as yet unresolved ethnic, cultural, social, and human problem."

He said that "in an effort to cut excess coca production—which is stimulated by a voracious foreign demand—the international community has dreamed up inadmissible radical operations like the total eradication of coca."

San Martin said: "We are aware that part of coca production goes to feed the illegal cocaine industry and that the peasant sector participates in the initial phase of cocaine." He added: "In doing so, that rural sector is not committing a crime; it is a victim of international drug trafficking."

He pointed out that "it is estimated that just in Chapare, where coca covers one third of the region, more than 2 million hectare run the risk of becoming unproductive land" as a result of the indiscriminate use of chemical products "the waste of which is spilled on the land and in the rivers of the jungle regions."

San Martin Arzabe added that trans-national criminal organizations have "exported" to his country arms trafficking, prostitution, the trafficking of minors, money laundering, and the trafficking of illegal immigrants." [no opening quotation marks as received] To fight this, "mutual juridical assistance" must be created "through a rapprochement of concepts of criminal justice."

He gave concrete examples. He said: "There are constitutional regulations that prohibit the violation of the right to privacy of correspondence and private communications" but "under the penal code in my country, tapes and videos are not considered evidence."

He said the vacuums in the legislation makes it "impossible to accumulate proof and evidence in the cases of public corruption, organized crime, and illegal money laundering."

He added: "Modifying the judicial and legislative system is too slow compared with the speed with which organized crime absorbs new technology."

After explaining this problem in detail to the 140 delegations attending the UN conference in Naples, San Martin Arzabe proposed "a uniform classification of criminal organizations to facilitate harmonic and international management of penal-processal terminology."

He concluded by expressing "the unequivocal will of the Bolivian Government to coordinate with the United Nations an overall plan—which could be expressed through a multilateral convention—to strengthen the UN role in fighting organized trans-national crime."

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Bank President Views Drug Money, Economy

PY2311224294 La Paz PRESENCIA in Spanish 15 Nov 94 p 9

[Interview with Central Bank President Fernando Candia by unidentified reporter; place and date not given]

[FBIS Translated Text] [PRESENCIA] How can the "Zero Option" affect our financial situation?

[Candia] We still have time to correct the situation before it becomes a major problem. The right time is now. We have a cancer affecting our society. This cancer is still small and it is better to treat it now than later, when it will become larger.

The treatment will not be easy, but it must be tackled by society as a whole.

The danger is seeing our institutions infiltrated and dominated by drug trafficker's great power. Our image also suffers greatly.

We, Bolivians are responsible for creating a country where drug trafficking is very important, where the production of cocaine's raw material is a front page item. We disseminate an image of a country debating whether to continue to produce this raw material for drug traffickers, as if it were a grand national problem.

[PRESENCIA] Is Bolivia hurting itself badly?

[Candia] Bolivia has hurt itself badly. We repeat this lie to ourselves: The economy depends to a significant extent on drug trafficking. This is not true. The coca economy does not generate more than 10 to 15 percent of the total value of our exports.

The real profit from cocaine production remains abroad. The percentage is even less if we include the revenue of goods and services.

From an economic point of view, the influence of coca production has little economic significance. It is a minor problem.

Coca and drug trafficking's greatest threat stems from the moral damage to society, which is absolutely unquestionable, particularly because it can cause great economic damage.

It is false to think many people depend on drug trafficking to survive, that the day we eliminate drug trafficking the Bolivian economy will suffer a "shock." That is really false.

It is also false to think our hard currency earnings or our exports will drop the day we stop exporting the product derived from coca.

It is also false to think that a significant amount of the dollars circulating in the country are produced by drug trafficking.

[PRESENCIA] You speak about the country's bad image. How does this image affect our economy?

[Candia] It is not an economic problem. Investments go where there is a profit to be made. Investments will continue to come if Bolivia continues to offer opportunities for good profits in oil, mining, transport, or agriculture.

There is a problem of dignity. The protest and the struggle is not because we want a country with a little more or a little less investments; we want dignity irrespective of investments. National dignity is at stake.

The experience of the countries that suffer the worst conflicts in the world—countries tarnished by the problems of drugs, dictatorships, violence, and racism—shows that investments will come if there is a profit to be made.

Let us not fool ourselves by saying that drug trafficking hurts investments in the country. Bolivia offers great opportunities for the exploitation of natural resources. The problem is whether we want investments irrespective of dignity.

[PRESENCIA] Please tell us about the current economic situation?

[Candia] It is positive. Our economy is growing at between 4 and 4.4 percent. This presupposes the income per inhabitant is growing by 2 percent a year.

This growth is being generated by the private sector. In time it will have a more sustainable base, it will become more genuine when compared to economic factors, and this in turn represents a change.

Never forget that growth is being achieved with economic stability. Inflation will be lower this year than in 1993: It will be 6.5 percent.

Growth is oriented toward the exterior. The fact that we have reduced the current account deficit by 50 percent which, together with our $534 million international reserves, shows we are growing and that we are in a much stronger position abroad.

This year the country made a profit from the competitiveness of its currency of between 7 and 8 percent, which is a clear sign that the sectors that export have benefited.

[PRESENCIA] How is this growth being achieved?

[Candia] Growth and stability are being achieved within the framework of a re-implementation of fiscal discipline. The fiscal deficit has been reduced to 3 percent of the GDP. This was achieved without resorting to the traditional measures of readjusting the prices of hydrocarbons. A readjustment was made in the public sector through an improved administration of the public finances and through an improved rationalization of fiscal expenditure.

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All of this is being achieved within a process of structural reforms.

[PRESENCIA] How is the second generation of structural reforms developing?

[Candia] They must be viewed as a whole: educational reform, popular participation, and executive branch participation.

Some phases of the design are complete and are being implemented. One phase, the electricity sector, has already been submitted to Congress.

[PRESENCIA] It is being said that our foreign debt increased by $500 million, and yet we see that due to the variation of the exchange rate the debt increased by $400 million. What is the real situation?

[Candia] Speaking of a $500 million increase is just guesswork, and it does not merit comment.

What is valid is that exchange fluctuations affect the calculation of the debt.

In terms of dollars, these fluctuations occur because we have contracted debts in currencies that have gained on the dollar; those debts are increasing. For example: Debts in yen or German marks are fluctuating and variations on the debt stem from these fluctuations. But they are 40-year debts. We are not so interested in what is happening to the debt itself, but how exchange fluctuations affect the servicing of the foreign debt.

If today, for example, the foreign debt increased by $200 or $400 million due to exchange fluctuations, then tomorrow it may drop under the same conditions.

We want to know how exchange fluctuations will affect the servicing of the foreign debt.

That is where we will notice exchange fluctuations.

We are adopting measures to prevent exchange fluctuations from influencing the servicing of the debt and how we will pay, seeking to honor a fraction of the debt, not the total debt. That is the concern.

Editorial Views Repentance for Drug Traffickers

PY2311224994 La Paz PRESENCIA in Spanish 18 Nov 94 p 3

[Editorial: "Repentance for Drug Traffickers"]

[FBIS Translated Text] Prompted perhaps by the fact that two of the seven drug "kingpins"—who in 1991 availed themselves of the benefits of the Repentance Law—are already on parole and that five others will soon be paroled, the secretary of domestic affairs at the Ministry of Government has launched a savage attack on the decree, which was enacted during the previous administration.

As is public knowledge, Supreme Decree No. 22881 was issued because it was alleged that leading Bolivian drug traffickers were acting in collusion with foreign drug kingpins of the Cali and Medellin cartels, and that this posed a serious threat to Bolivia's internal peace. Indeed, major drug enforcement operations were at that time mounted in Beni Department, where many "kingpins" had set up shop.

It all seemed to indicate at that time that they had been cornered and that their capture was only a matter of time. It was thought that once arrested, they would be extradited to the United States. It was precisely then that the government issued its initiative—granting an opportunity for "drug traffickers to repent." It soon materialized into a supreme decree that offered fair trials for drug traffickers and guaranteed them that they would not be extradited if they surrendered within an established period. Seven of the then leading drug traffickers opted for this virtual amnesty. They were tried by a lenient court and sentenced to four to six years' imprisonment.

It has now dawned on the current administration—albeit a bit late—that this supreme decree is unconstitutional in that it goes against the principle that everyone is equal before the law, which must be applicable to all and not just to a certain group of people; and it is discriminatory in that grants privileges to some drug kingpins and contradicts Law No. 1008. To all this one should add the announcement by the secretary of domestic affairs to the effect that the government is analyzing possible legal mechanisms to "check its implementation."

Obviously, the government's goal is to correct a serious mistake by the former government. Nevertheless, it seems utopian to review judgments that may be appealed to the executive but not to a higher court. Some three year sentences are based on these judgments, and some defendants already have been paroled while others will be paroled soon. The only viable judicial option involves pressing charges against repented drug traffickers for new crimes—supported by real evidence—and judging them under the law as seems to be happening with a paroled defendant who was detained again by FELCN [Special Antinarcotics Force] agents.

The total unfairness of Supreme Decree 22881 has been harshly criticized and those who sought repentance for drug traffickers have been unable to reasonably substantiate it. Under the benign Supreme Decree 22881, lesser drug traffickers should also have benefited—many of them are serving the long sentences established under the extremely harsh Law 1008.

It is not possible to correct these past mistakes now, not even through new legal provisions, because laws become effective after their enactment. Judicial principle dictates that laws may not be retroactive. While performing their legislative work, our top government officials and congressmen should strictly abide by constitutional provisions and always bear in mind the overriding principle that everyone is equal before the law and thus prevent some laws from being described as discriminatory or unfair, as is happening now.

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Government Creates Position for Economic Development

PY2511024094 La Paz Television Nacional Network in Spanish 1700 GMT 24 Nov 94

[FBIS Translated Excerpt] The government has created a new position, a minister without portfolio, to deal with economic development. Jaime Villalobos, former mining and metallurgy under secretary, will be the minister without portfolio. [passage omitted]

President Sanchez de Lozada has explained that until the capitalization process is over, it will be necessary to separate the Finance Ministry from the Economic Development Ministry. Therefore, this position of minister without portfolio had to be created and the former mining and metallurgy under secretary has been appointed to this position. [passage omitted]

Role, Activities of NGO's Evaluated

NGO Coordinator Interviewed

95SM0051A La Paz PRESENCIA in Spanish 23 Oct 94 pp 2-3 (3rd Section)

[Interview with Rosa Maria Balcazar, director of NGO coordination, by Veronica Sanchez Barrera; place and date not given]

[FBIS Translated Text] Thanks to their foreign financing, the NGO's [nongovernmental organizations] are bringing about $200 million into the country. This is a popular occupation among former ministers, former deputies, and former trade-union leaders. What is happening, according to Rosa Maria Balcazar, the director of NGO coordination, is that those who have reached positions high in the regime or the opposition know where the money goes. "We can say that all of the parties, both in the government and in the opposition, have their own NGO's," she added. Some of them claim to be nonprofit organizations, which is a requirement for calling an organization nongovernmental, but they talk about distributing profits. Some of them have even established inheritance systems.

In all, there are more than 600 NGO's in the country, but only 406, the church among them, are registered.

The delicate aspect of all of this, Balcazar went on to say, is that "there is no control." She acknowledges that many of the organizations in some regions are being challenged, but that "the results of these actions are not known."

[Sanchez Barrera] How much capital is coming into the country thanks to the NGO's?

[Balcazar] In 1993, the amount brought in was $128 million. Of this total, $60 million was accounted for by 73 foreign NGO's and non-Catholic religious institutions. The rest of them—some 220 NGO's—accounted for $59 or $60 million. Based on the figures provided by the NGO's themselves, we estimate that between $175 million and $200 million has come into the country, including medical items and teachers provided by the state.

[Sanchez Barrera] Have any irregularities been found in these organizations?

[Balcazar] We are encountering some problems. There are some organizations that define themselves as nonprofit in their bylaws, but their internal regulations make provisions for distributing earnings among the NGO officers. Others claim to be nonprofit organizations, but provide that when they cease to exist, their assets will be distributed among the members of the institution.

We have had cases in which there is direct talk of profits, with a provision that in the event of the death of a member, his children or family members will receive his share. Mainly this type of organization has been established in the last three years.

We have been in touch with the attorney general of the Republic, and the legal status of these organizations is being reviewed and studied. We are trying to work with them to eliminate these contradictions, for example, self-definition as a nonprofit organization, while at the same time providing for the division and distribution of surpluses on the basis of the contribution of each associate.

It is not the task of this department to review the legal status of these organizations, but we have been doing this for a year and a half. In all cases, we have succeeded in obtaining amendments to the bylaws to bring them into line with the Civil Code.

Where the foreign NGO's are concerned, there are some that do not want to send us the documents we have requested because we have learned that they are planning major projects. They claim that the resources with which they are operating are not state funds.

[Sanchez Barrera] How many organizations are registered with your department?

[Balcazar] We estimate that there are somewhat more than 600 in the country, but only 406 are registered here.

[Sanchez Barrera] Does your department exercise any control over the registered NGO's?

[Balcazar] There is no control. The only requirement made of the domestic organizations is that they register. The foreign NGO's sign a standard agreement directly with the Ministry of Foreign Affairs. Only then do they have the juridical status to operate legally in the country. The foreign ministry sends us the proposals of the foreign NGO's, and we send them on to the sectorial secretariats. If they report that these proposals are consistent with our policies and norms, then the signing of these agreements can proceed.

This department does not attempt to audit or control the NGO's, because that is not its function. Our interest is to

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institutionalize the relationship between the state and the NGO's. We are contemplating the possibility of studying the impact the NGO's are having on the regions, because there are differing opinions and questions about some of them and their work.

[Sanchez Barrera] What happens to the NGO's that fail to register?

[Balcazar] Nothing happens. They can continue to function. But they will have difficulty in gaining access to state funds. There are bodies such as the FIS [Social Investment Fund], the FONAMA [National Environmental Fund], and the FDC [Peasant Development Fund] that require a certificate of registration issued by this department. The same is the case with the international or bilateral cooperation bodies, which check on whether the NGO's they plan to finance are properly registered.

The fact is that there are NGO's that are not registered but are nonetheless obtaining financing from Europe, Canada, or the United States. It comes from private entities or associations of people who collect funds and send them to these NGO's. There is no widespread control or followup.

[Sanchez Barrera] How many of these organizations belong to churches?

[Balcazar] There are 23 NGO's of a religious nature and 356 that are not.

Nine Catholic NGO's are registered in the RUN [Centralized National Tax Registry]. They do extensive and responsible work and have been doing so for many years. Other religious NGO's belong to various churches—Evangelical (four), Ecumenical (two), Mennonite (two), Seventh Day Adventist (one), Baptist (one), Lutheran (one), Presbyterian (one), Evangelical Christian (one), and Lutheran Evangelical (one).

[Sanchez Barrera] Why do some institutions describe themselves as NGO's or church social projects, without differentiation?

[Balcazar] This happens with the institutions of the Catholic Church—the CIPCA [Peasant Research and Promotion Center], for example, which does very interesting work. Its operational method and its financing are relatively independent, and it has its own board of directors. However, it is a part of the Company of Jesus, because it functions under the legal status of the Jesuits, rather than on its own as a civil nonprofit association.

And that is also the case with the OSCAR [expansion not given] project. It operates under the legal status of the Franciscans' religious congregation. This is a complex issue that needs to be discussed.

[Sanchez Barrera] It is said that the MBL [Free Bolivia Movement] is the party that controls the most NGO's.

[Balcazar] We can say that all of the parties, both in the government and in the opposition, have their own NGO's. The Centralized National Tax Registry has no classification for the NGO's controlled by political parties. What has happened in the case of the Free Bolivia Movement is that many of its political members are officers in the various NGO's. Today they are part of the self-styled IPDS [Private Social Development Institutions] organized in networks such as the UNITAS [National Union of Institutions for Social Work], AIPE [expansion not given], and ERBOL [Bolivian Radio Schools]. The NGO's have ceased to be controlled exclusively by leftists and progressives, because private enterprise has created its own NGO's, as well.

[Sanchez Barrera] What work are the NGO's doing in Bolivia?

[Balcazar] At first, they were aid associations. They are now involved in education, agriculture, health, the environment, and other sectors. Since 1985 they have regarded themselves as agents of development. They are tending to expand beyond the smaller projects to more integral development programs. They are establishing themselves in regions of the country that the state is not reaching. Despite these efforts, they are not working in the poorest of the country's provinces. We are working to ensure better coordination between the state and the NGO's.

[Sanchez Barrera] In which departments of the country are they concentrated?

[Balcazar] Along the main axis. La Paz, Cochabamba, and Santa Cruz account for about 83 percent, both domestic and foreign, because the greatest population concentration (4 million) is there. There are 213 NGO's in La Paz, 83 in Cochabamba, 46 in Santa Cruz, 20 in Chuquisaca, 16 in Tarija, 14 Oruro, nine in Potosi, four in Beni, and one in Pando. In La Paz and Santa Cruz, the offices are in the cities, from which they extend their work into the rural sector. In Cochabamba, Potosi, Oruro, Tarija, Beni, and Pando, the offices are located in the rural areas.

[Sanchez Barrera] How many foreign NGO's are there?

[Balcazar] There are 76 foreign NGO's functioning in Bolivia. The United States has 32, in addition to a network of NGO's engaged in the battle against infant mortality. Italy has eight, Canada and Sweden five each, France and Denmark four each, and Spain has three. England, Norway, Switzerland, Belgium, and Germany have two each, and Australia, South Korea, Ecuador, and Holland have one each.

The offer of international cooperative assistance, linked with the ever-deepening poverty, the weakness of the state, and the lack of jobs led to the creation of the NGO's as a means of survival.

The multilateral cooperation provided by institutions such as the World Bank (BM) and the Inter-American

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Development Bank (IDB) promotes work with the NGO's. For example, the IDB allocates credit to finance them. In the era of the Banzer dictatorship, the Bank preferred to establish direct relations with the NGO's, which could reach distant regions and impoverished populations, rather than providing financing for a dictatorial government.

[Sanchez Barrera] Do some NGO's have volunteers?

[Balcazar] The NGO's submit lists of their volunteers and cooperative technical workers, as well as their agendas, but they are not required to provide documentation proving what they claim.

There are volunteers, in the DED [expansion not given] a German organization, for example, or the Dutch SNV [expansion not given]. They channel resources from their governments to finance their NGO's. These volunteers have certain privileges established by international norms.

[Sanchez Barrera] What characteristics must an organization have in order to be considered an NGO?

[Balcazar] It must have legal status, must not be governmental, and must operate, work, and channel resources from international cooperation funds and the state. It must be a nonprofit organization, and finally, it must be in possession of a resolution signed by the president of the Republic.

[Sanchez Barrera] Are there any NGO's that do not have legal status but nonetheless provide a channel for economic resources?

[Balcazar] There are consolidated institutions with organizational structures and names that utilize major resources to carry out projects, or, in other words, function as NGO's, although they lack legal status. The CIPCA is an illustrative case. But it is one of the most serious and honest NGO's. They sent us their three-year plan, and they will handle $20 million between 1995 and 1997. In other words, they continue to receive funds because NGO's and foreign countries are financing them.

[Sanchez Barrera] Generally speaking, former ministers, former deputies, former religious officials, and former trade-union leaders have their own NGO's.

[Balcazar] What happens is that those who were deputies or who held high positions have information about the sources of financing. They establish NGO's and channel funds, because they know where the money is.

Interior Secretary Interviewed

95SM0051B La Paz PRESENCIA in Spanish 23 Oct 94 pp 4-5 (3rd Section)

[Interview with Hugo San Martin, undersecretary of the interior and police in the Ministry of Government, by Yascara Rivera Diez de Medina; place and date not given]

[FBIS Translated Text] Undersecretary of the Interior Hugo San Martin says that some NGO's are pursuing antidemocratic political activities. He cited Rayos de Sol [Rays of Sun] as an example. He said it has operated in Chapare without legal status and that it "sponsored rural guerrilla warfare." He compared this organization to the Shining Path and the Red Brigades, although he admitted that no weapons have been found in the possession of the organization nor has it been known to use weapons. He accuses the NGO of provoking violence, but failed to provide any proof at all of such activity, which, curiously enough, he termed "subversive." All that has been found in the organization's possession are papers and a red flag, he admitted.

He said that another NGO in Potosi functioned in violation of the Popular Participation Law. He warned that more than 15 NGO's are being investigated because they have not registered as required and are engaging in politics in a manner inconsistent with democracy. He referred to some photographs of EGTK [Tupac Katari Guerrilla Army] members with NGO personnel.

[Diez de Medina] The La Paz district prosecutor announced some time ago that 15 NGO's were being investigated. What are the reasons for this investigation?

[San Martin] I think that there will not be just 15, but a larger number, involved in this investigation. These are the NGO's that have not registered, have not complied with the provisions of the 1990 decree, and are engaging in politics in one way or another. Nongovernmental organizations are not tools for pursuing politics. Within the democratic process, there are other tools for this purpose. Moreover, the political logic or ideology of the NGO's does not fit within the democratic concept. Regrettably, their philosophy is that of a past we would like to leave behind. And so then, it is inevitable that we investigate, because what is involved here is the security of the state and of the citizens. And we do not want to see in our country what has happened in others, where violence has flourished precisely on the basis of these seeds sown in the rural sector.

[Diez de Medina] Do you mean that there are terrorist groups linked with some NGO's?

[San Martin] We are at the investigation stage. There are photographs showing members of the EGTK with some nongovernmental organization personnel, but a photograph is not proof. This may simply be an indication of some kind of connection. State security personnel are working on this to determine all of these links and relationships and their ramifications for the terrorist groups and certain NGO's.

[Diez de Medina] Which NGO's are involved?

[San Martin] When we carried out Operation New Dawn in Chapare, we found an NGO called Rays of Sun that was openly and enthusiastically subversive in its attitude. It is an NGO that has failed to register, is administered by foreigners, and has pursued a provocative policy dating back to the 1960's urging the need for rural

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guerrilla warfare. Its banner is like that of the Shining Path and the Red Brigade. Mrs. Maria Cucci, one of its members, has indicated in her letters that she has a bodyguard. I do not know why an anesthesiologist pursuing health and educational goals would need a bodyguard. What is the reason for the organization's involvement in domestic politics, the subsidizing of congresses, and the leaders' extensive travels? Behind the facade of providing training on the trade-union level, this organization has been engaged in the political indoctrination of the peasants. But not the kind consistent with a democratic system, but one based instead on an ideology of provocation.

[Diez de Medina] Have you found weapons or evidence that this organization uses them?

[San Martin] Weapons, no, but we did find a red banner on which there was a yellow sun, similar to the flag of the Red Brigade. We also found letters, a diary setting forth what their ideologies are, and subversive pamphlets.

[Diez de Medina] Do you believe that there are other NGO's engaged in similar activities?

[San Martin] I believe there are. There are some that must be investigated, of course, because they are working against the general government policy guidelines. When the most recent road block was established, for example, there were NGO's in Potosi that were violating the Popular Participation Law by transporting peasants from one place to another. And, naturally, the funds they received were used to finance these activities, which were designed to create an uneasy atmosphere in the country. I do not believe that these are objectives or goals consistent with the stated concepts and ideas of the NGO's. If they want to engage in politics, they are free to do so, but there are other mechanisms for doing so. They have no reason to pursue such activities in a concealed manner. An NGO has goals that are entirely different from those a political party might have.

[Diez de Medina] How do you view the nongovernmental organizations?

[San Martin] They are a complex reality, because they administer large sums of money, and yet their purpose is not to make a profit. They bring together unprecedented human and material resources, they attract volunteers, and yet they are not churches. Finally, they maintain a distance from the state, but yet in many cases, they involve themselves directly in politics. All of these elements taken together make it difficult to understand their nature fully.

[Diez de Medina] What do you mean when you say that the NGO's administer large quantities of money and unprecedented resources?

[San Martin] We are dealing with organizations that are rather small in size in comparison to the volume of resources they administer, and the truth is that in many cases, the origins and use made of these resources are not known.

[Diez de Medina] What steps is your ministry taking to determine the source of the NGO funds?

[San Martin] We are not concerned with auditing the economic bottom line, but rather with coordinating the monitoring of the development projects being administered by these nongovernmental organizations. The government's interest lies in determining the impact of their work, which should supplement that of the state.

[Diez de Medina] Do you suspect that these organizations' funds may include money obtained from the drug traffic?

[San Martin] I do not know what the origin of these resources is.

Nor can we go so far as to say that the drug traffic is the source. I believe that some NGO's are playing their proper role, with its specific goals and purposes, while there are others, regrettably, that are not. This was made evident to us by Rays of Sun, for example, which, behind its facade as an NGO, was engaged in subversive activities extremely dangerous to the democratic system and the state of law.

[Diez de Medina] Do you believe that some members of the opposition are working with these NGO's?

[San Martin] There are NGO's working with political parties in both the opposition and the government. This is why I have pointed out the need to draft an NGO law setting forth their goals, what it is they seek, and where they will operate. When we know all of these things, we can then analyze the impact of development, and I believe there will be no problem. There are nongovernmental organizations that operate within the law. But if we also have others that operate illegally, because they are not registered and also because they participate in political affairs in an antidemocratic manner—well, then, they will suffer the same fate as the Rays of Sun.

[Diez de Medina] Are these organizations a mystery?

[San Martin] The NGO's in our country have shown themselves to be efficient in the production of voluminous information about other organizations and issues. But they are extremely cautious when it comes to information about their own institutional practices. That is why it is so difficult to obtain a historical overview of their results, their achievements, and their contributions to development. In other words, the importance of their impact to date, their limitations, and their potential are unknown.

[Diez de Medina] How many NGO's are there in the country?

[San Martin] As of the present there are 392 legally registered NGO's. They are located in La Paz (205),

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Cochabamba (78), Santa Cruz (46), Chuquisaca (20), Tarija (16), Oruro (13), Potosi (nine), and Beni (four). However, we can say without fear of error that the total number could easily be more than 600. This means that about 50 percent of these organizations in our country have not complied with the required legal procedure. This group may also include some of those organizations characterized by subversive zeal.

[Diez de Medina] Once a law governing the NGO's has been promulgated, what steps will the Ministry of Government take?

[San Martin] Supreme Decree 22409 promulgated in March 1990 requires that NGO's register with the Centralized National Tax Registry. It also provides that foreign NGO's must sign a standard agreement with the Ministry of Foreign Relations, which the vast majority have done.

At the present time, there is no control over the NGO's. The present draft law authored by several deputies contains the same shortcomings previously seen in the proposal submitted to the parliament for its consideration a few months ago.

The draft law does not provide for the proper classification of the NGO's on the basis of operational volume. There are some NGO's that do not share the developmental policies of the government. We must not allow the scattering or the duplication of efforts.

[Diez de Medina] Do the members of the NGO's enjoy privileges similar to those of diplomats?

[San Martin] The new law will have to regulate this matter. There are some NGO's with an investment of only $50,000 that nonetheless allocate funds in the amount of $500,000 or $1 million. These are things that we need to begin to regulate.

[Diez de Medina] Could control of the NGO personnel employees be placed in the hands of the Directorate of Migration?

[San Martin] This is where the shortcoming is to be found. Precisely because no proper control has been exercised over the NGO's—in the belief, perhaps, that they were functioning within the proper legal framework—and because we have now discovered that this is not the case, the proper steps are going to be taken. We are now coordinating our efforts with the Directorate of Migration and other government entities in order to make these steps a reality.

Draft Bill Proposed

95SM0051C La Paz PRESENCIA in Spanish 23 Oct 94 p 6 (3rd Section)

[Interview with Nationalist Revolutionary Movement, MNR, Deputy Douglas Ascarrunz by Z.H.; place and date not given]

[FBIS Translated Text] Douglas Ascarrunz, who is the second in command of the Nationalist Revolutionary Movement (MNR) and a deputy representing that party, is the author of the new draft outline law governing the nongovernmental organizations [NGO's]. He explained the urgent need for this law, in order to regulate and exercise control over the activities and the economic transactions carried out by these institutions, over which there had previously been no control at all.

[Z.H.] How will the NGO's be controlled?

[Ascarrunz] The requirement that they draft and publish audited balance sheets will be a central factor in clarifying these organizations' administration of resources. With a rapid analysis and the drafting of a balance sheet, it will be possible to establish with certainty whether they are using the money they receive for personal services or for the projects they have announced.

These private organizations are as inefficient as the state itself, or more so. As a result, they are not the most suitable agencies for the channeling of financial aid, international aid in particular. For this reason, it is important to have balance sheets and audits. This will make possible a selective process that will, in addition, give those who are providing the credit accurate information about how these resources are being used.

Society needs to know what these institutions are, what they are doing, how they are being regulated, and to whom they must answer.

This is because the funds that come into the country are supposed to aid society, and it is important that these funds be invested honestly, so that we can receive further resources via private channels.

[Z.H.] What role do the NGO's play?

[Ascarrunz] At present, the role of the state is shrinking, and the trend is toward a broader field of action for the private sector. In this connection, the mechanisms for cooperation that have been used are being challenged and altered. Questions are being raised about the roles the International Monetary Fund and the World Bank should play.

As a result of these developments, NGO's began to function in Bolivia, in the era of the dictatorships. Their efforts to bring about a return to democracy led to their serious involvement in a double role in the service of society. In many of the NGO's, this tendency is still present.

[Z.H.] What is the reason for their accelerated growth?

[Ascarrunz] The European governments have decided to channel economic resources through private organizations, and not through the states. As a result, between 20 percent and 30 percent of these resources come in through the NGO's. But there are domestic and foreign organizations that engage in very independent activities, and some of them have ventured into almost criminal

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areas in search of profits for themselves and have produced false reports about projects that have not been executed.

Roundup of Economic Affairs

95P20186A

[FBIS Media Note] Rural Development Program—The Ministry of Human Development has chosen the 38 poorest provinces to be the beneficiaries of a rural development program sponsored by the Social Investment Fund (FIS) and the Peasant Development Fund (FDC). Health, education, basic hygiene, and vocational training were considered priorities. La Paz PRESENCIA of 26 September reported that the choice of provinces was based on the ministry's "map of poverty" published earlier this year. Financing for the program will be provided by the World Bank on the order of $65 million in the form of "soft" credits payable in 40 years.

Santa Cruz "Economic Capital"

The Freedom, Democracy, and Development Foundation (Fulided), an entity linked to the Santa Cruz Chamber of Commerce and Industry, designated Santa Cruz Department "Bolivia's economic capital" and praised the "dynamism and drive" of the department's entrepreneurs. La Paz PRESENCIA of 25 September reported that the Santa Cruz growth rate reached 6.23 in 1993 compared to the national growth rate of 3.25 percent. Furthermore, the department's Gross Domestic Product was 5 percent compared to the national GDP of 3 percent. Fulided statistics also revealed that the region's per capita income in 1993 was $1,046 as opposed to $915 at the national level. The Bolivian Foreign Trade Institute (IBCE) calculated that the department's nontraditional exports would surpass $250 million by the end of 1994. IBCE stated that Santa Cruz's "export boom" was due to the sale of agricultural and forestry products in markets such as the Andean Group, the Latin American Integration Association (ALADI), the European Union, North America, and Asia. Santa Cruz EL MUNDO 15 October reported that the most important markets for Santa Cruz exports were: Peru, $48 million; Colombia, $38 million; Argentina, $18 million; Brazil, $12 million and Ecuador $10.5 million.

Importance of Small Business

Bolivia's business activities are concentrated in the country's three largest cities, La Paz, Santa Cruz, and Cochabamba, according to the National Trade and Industry Secretariat. The secretariat added that there were 14,389 enterprises in Bolivia generating employment for 76,718 people. La Paz, with a total of 4,452 businesses, employed 25,928 people; Santa Cruz's 3,718 businesses employed 21,539 people; and Cochabamba, with 2,807 businesses employed 15,239 people. La Paz HOY of 25 October stressed the important role played by small business by pointing out that 75 percent of the firms employ only 1-4 people and that only 81 companies or 0.6 of the total employ more than 100 people.

Union for Agricultural Workers

Salaried agricultural workers, comprising 250,000 workers nationwide, reportedly will unite in January to form Bolivia's "largest and most powerful union" surpassing even miners and petroleum workers "in numbers and importance," according to La Paz HOY of 17 October. The article explained that, with the exception of sugarcane harvesters and cotton pickers, most agricultral workers do not receive any benefits. The union would include planters, cutters, fumigators, cowboys, lumbermen, weeders, grape harvesters, rubber collectors, and sheepshearers.

Worst Drought in 10 Years

Oscar Ponce, undersecretary of agriculture, stated that, although Bolivia was experiencing the worst drought in 10 years, the food supply would not be affected. The greatest damage was to export crops in Santa Cruz Department on the order of $20 million. In Cochabamba and Oruro Departments the drought affected 30-60 percent of agricultural production, according to La Paz PRESENCIA DEL PAIS of 15 October.

Amazonian River Port

The first and only river port in the Bolivian Amazon region was inaugurated on 23 October in Carrasco Province, Cochabamba Department, 260 km from Puerto Villarroel. The project was financed by some $720,000 from the Belgian Technical Cooperation team, according to Cochabamba LOS TIEMPOS of 22 October. La Paz HOY of 26 October reported that the complex was constructed by the Service for the Improvement of Amazonian Navigation (Senema) and is situated on the confluence of the Mamore and Ichilo Rivers. The daily added that this complex would make possible the implementation of the "great Atlantic-Pacific export corridor," and facilitate the integration of the "far north" to the rest of the country.

Brazil

Oil Workers' Strike Spreads; Refinery Production Drops

PY2311202794 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 23 Nov 94

[FBIS Translated Text] Striking oil workers have decided to suspend production at Brazil's largest refinery. The decision also affected the three Sao Paulo refineries. This morning, 1,000 oil workers occupied the Cubatao refinery.

At the Presidente Bernardes refinery—Brazil's second largest refinery—the morning shift reported for work as normal. During night and morning shift, however, a decision was made to suspend production and occupy the refinery until further notice.

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In Sao Jose dos Campos, Revap [the Henrique Lage Refinery] workers are on the third day of strike. Shifts are not being replaced.

The Revap refinery supplies part of Sao Paulo State, southern Minas Gerais State, and the Sao Paulo and Rio de Janeiro airports.

The highway police and the military police have reinforced the security guards at Brazil's largest refinery, in Paulinia, 130 km from Sao Paulo.

As scheduled, Replan [Paulinia Refinery] workers began their real strike at midnight; 250 oil workers who came on duty at 0730 did not pass the refinery gate.

To make things even worse, only one of the four processing units is operating. This unit [video shows processing unit] suffered a breakdown which caused the two others to stop.

Gasoline and diesel oil production at Replan was reduced to only 40 percent of capacity.

The production of fuel was not discontinued only because 60 workers who came to work at 1530 yesterday are still operating the machines.

Replan technicians and engineers will replace those workers for some hours so that they can rest for a while.

During the last strike, one single shift worked in the refinery for 48 hours. This time, however, the union is pressuring workers to leave at the end of the day.

At the port of Sao Sebastiao, on the northern Sao Paulo coast, oil workers joined the strike this morning. The port terminal distributes 60 percent of the oil that supplies the four refineries of the state of Sao Paulo.

In Pernambuco, the Petrobras [Brazilian Petroleum Corporation] fuel terminal at Suape port is operating at 50 percent capacity.

According to the Petrobras executive board, there is no fuel shortage risk in the state.

In the other states, the main refineries are almost paralyzed.

In Minas Gerais, oil workers at the Gabriel Passos refinery, in Betim, did not change shifts at 0730. The executive board and the labor union estimate that 95 percent of workers have joined the strike. The daily production of 150,000 barrels is being maintained by only 80 workers.

In Rio Grande do Sul, 400 of the 700 workers at the Alberto Paschoaline refinery, in Canoas, are on strike; 85 employees have been working since Monday midnight to keep the refinery operating at 30 percent of capacity.

In Parana, there was no shift changeover at the Presidente Vargas refinery, in Araucaria, in the metropolitan region of Curitiba, where 900 oil workers have joined the strike; 80 workers who began their shift yesterday afternoon are operating the refinery.

The Single Federation of Oil Workers announced in Brasilia that it wants to resume negotiations. A group of Federation representatives today went to Congress to convince lawmakers to help with the talks.

The Federation estimates 95 percent of refineries have reduced shift changeovers, that they will begin discontinuing production this afternoon.

In Rio de Janeiro, the Duque de Caxias refinery stopped operations but the oil worker union guaranteed that the strike will not affect essential services like hospitals.

Duque de Caxias, the second largest Brazilian refinery, began breaks in production at midnight; 250 workers have operated the refinery for more than 60 hours because shift changeovers have been suspended. Workers held a meeting throughout the morning. They did not allow reporters to approach the refinery gate.

The refinery produces 240,000 barrels of oil byproducts per day. The strike at the refinery and in the Campos basin can affect supply to Rio de Janeiro, Espirito Santo, and southern Minas Gerais. The oil workers union has announced that equipment maintenance and supply for essential services will be unaffected for the time being.

Oil workers will meet with leaders of the Duque de Caxias civil construction workers union, in an effort to get Petrobras contractor workers join the strike.

Labor Minister Marcelo Pimental said in Brasilia today that the oil workers strike will cause dismissals. He announced that ministers will not engage in any negotiations. Petrobras, which is the employer, will negotiate.

[Begin Pimentel recording, in progress] ... their is clear, absolute evidence that this monopoly cannot continue. Society is being taken hostage by the workers of one professional sector. It is necessary to divide Petrobras in order to eliminate this corporativism, which has turned society into a hostage of workers. This cannot be tolerated. [end recording]

The minister added that Petrobras today will ask the Superior Labor Court to enforce a previous decision.

In Rio de Janeiro, the Petrobras executive board will release an official note at 1600.

Petrobras Presses Charges Against Workers

PY2411013894 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 23 Nov 94

[FBIS Translated Text] Petrobras [Brazilian Petroleum Corporation] is fighting back the oil workers' strike in court in Brasilia. The government says it will not yield to the oil workers' petitions, while the oil workers are asking the president of the Republic for a new agreement.

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The representatives of the Sole Oil Workers Union went to Congress to ask the leaders of seven political parties to endorse a letter asking the president of the Republic to reach a new agreement.

[Begin Oil Workers Confederation Coordinator Antonio Carlos Spis recording] We are willing to negotiate a new manner in which some of our demands could be met, but we will not give up any of the 33 demands we have made. [end recording]

Labor Minister Marcelo Pimentel said that the government's tolerance has, however, ended, and that it will not yield anything. The government says that it will not allow indiscipline, and that criminal investigations will be opened in cases of sabotage. If necessary, the government will ask the Armed Forces to protect the oil refineries and the oil and gas pipelines.

Worried over the shortage of gasoline, cooking gas, and diesel oil, the government is encouraging imports.

[Begin Labor Minister Marcelo Pimentel recording] It is cheaper to use imported gasoline than Brazilian gasoline. This clearly shows that this monopoly cannot continue. Society is being taken hostage by a professional sector. [end recording]

Petrobras has released a communique stating that although production by the oil refineries is below average, the supply of oil by-products is normal over the entire country.

Petrobras has submitted litigation to the Superior Labor Court to have the oil workers' strike declared abusive, which will allow Petrobras to justifiably fire workers and not pay for the unworked hours. Petrobras also asked that the oil workers union be fined daily for the losses caused to the company. The trial is scheduled for 25 November.

Franco Seeks Reopening of Talks

PY2411184494 Sao Paulo AGENCIA ESTADO in Portuguese 1508 GMT 24 Nov 94

[By Tania Monteiro]

[FBIS Translated Text] Brasilia, 24 Nov (AE)—President Itamar Franco wants to reopen negotiations between striking oil workers and the government. This morning he called Joel Renno, president of the Brazilian Petroleum Corporation, and asked him to call Vicentinho de Paulo, president of the Sole Workers Center, to set a date to reopen negotiations. Presidential spokesman Fernando Costa did not report when the meeting will be held.

Strike Causes Gas Shortage

PY2511182294 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 25 Nov 94

[FBIS Translated Text] Sao Paulo oil workers have disobeyed a court order to keep 30 percent of shifts working at refineries. The four day-old strike has begun to affect provision of kitchen gas, in particular.

In Sao Jose dos Campos, in Paraiba valley, kitchen gas dealers were once again supplied by the Henrique Lage refinery—the Revap—after supply was suspended almost all day yesterday. Oil workers have gathered in front of the refinery, and production remains paralyzed. Gas is being supplied from the refinery's reserve stocks.

Fearing a gas shortage, many people went to dealers to buy a flask.

The chimneys of the Cubatao refinery have been inactive for almost 24 hours. Not a single liter of oil is being processed. The 800 oil workers who have occupied the refinery for 60 hours are today expectant over a conciliation meeting being held in Brasilia.

Cubatao workers have disobeyed a Superior Labor Court [TST] order to maintain 30 percent of shifts at work to produce fuel. Workers have already advised that everyone will continue with the strike. The takeover of the refinery will end only when the strike is over.

Oil workers will hold a meeting in the afternoon to evaluate the results of the conciliation meeting held in Brasilia, and to decide whether to suspend pumping natural gas to Sao Paulo. This measure would immediately harm more than 140,000 consumers.

Pumping of GLP—natural kitchen gas—will remain paralyzed in Santos. The largest kitchen gas dealer of the Santos region, where more than 1 million people live, said it will run out of stocks on 28 December.

At Brazil's largest refinery—the Paulinia refinery—which is located 130 km from Sao Paulo, workers did not obey a court order to keep 30 percent of shifts at work.

Kitchen gas production is the sector that has been most badly affected by the strike: The 250 tonnes that are being produced every day can hardly meet the refinery's own needs and those of hospitals and military garrisons of Campinas.

Parana oil workers this afternoon will decide whether to obey the court order to maintain 30-percent shifts at the President Vargas refinery, in the metropolitan region of Curitiba.

In Minas Gerais, the Gabriel Passos refinery executive board has reported that the production of oil byproducts is normal despite the strike; 130 workers are filling rotating shifts in the refinery.

In Rio Grande do Sul, gas and fuel production by the Alberto Paschoalini refinery came to a total stop early today.

In Rio de Janeiro, taxi drivers with gas-driven vehicles are waiting in long lines to supply their cars.

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It looks like an immense taxi stop, but these cars [video shows long line of taxis] take no passengers. They are running against the clock to buy gas.

One-third of Rio de Janeiro's taxis run on natural gas. Only three gas stations are still selling gas, and they can stop anytime.

The gas production drop caused pressure to drop by 50 percent, and the time for filling a tank has doubled. These taxis can also run on alcohol or gasoline, but this would cause expenses to double.

The Duque de Caxias refinery—one of Brazil's largest refineries—is operating at 80 percent of capacity, with 250 workers who have been in the refinery for more than 80 hours, since the strike began.

The union did not fulfill a TST order to operate the refinery today with 30 percent of workers.

Petrobras [Brazilian Petroleum Corporation] President Joel Renno this afternoon will meet with Sole Workers Center [CUT] President Vicente Paulo da Silva, aka Vicentinho, at the Petrobras building. This meeting will mark the reopening of the talks between Petrobras and its employees.

Petrobras and oil worker representatives are optimistic about the possibility of reaching an agreement. A conciliation meeting being held at the TST building in Brasilia was suspended late this morning. It will resume in a short while, at 1400.

Neither economic nor social topics are on the agenda; the objective of the conciliation meeting is only to discuss whether the strike was abusive.

Petrobras representatives began by saying that they had nothing to offer, and asked that the strike be lifted.

However, while oil workers were explaining the reasons for the strike, there was a signal of understanding: After some phone calls, the Petrobras representatives asked for the suspension of the meeting until 1400.

Oil workers believe that the suspension of the meeting is a signal that an agreement can be reached today. They are now waiting for a notification from the enterprise.

Oil workers also have expectations regarding the meeting between Petrobras President Joel Renno and CUT President Vicentinho, which is scheduled for 1600 in Rio de Janeiro.

[Begin recording by Antonio Carlos Spis, coordinator of the Single Federation of Oil Workers] We are now envisaging a good alternative for the country, for the TST, for the government, and for oil workers. [end recording]

Petrobras, Oil Workers Reach Agreement

PY2511192894 Sao Paulo AGENCIA ESTADO in Portuguese 1735 GMT 25 Nov 94

[FBIS Translated Text] Oil workers have decided to suspend their strike as of 2330 today in exchange for Petrobras [Brazilian Petroleum Corporation] withdrawing its request for a court ruling on the strike on 28 November. With this decision, oil workers and Petrobras will return to the negotiations table on 29 November, without the participation of ministers or any other government officials. The agreement was reached a short time ago at the Superior Labor Court during a conciliation meeting that began a few minutes ago and is now about to end.

'Drug Lords' Target of Rio Anticrime Operation

PY2411154594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Nov 94 p C1

[Article by Luiz Augusto Falcao]

[FBIS Translated Text] Rio de Janeiro—The commander of Operation Rio, General Roberto Jugurtha Camara Senna, yesterday afternoon revealed to a delegation of Rio de Janeiro councilmen some of the Armed Forces strategies to combat organized crime in the city. During a two-hour meeting in the Eastern Military Command (CML) headquarters, Gen. Senna informed the councilmen that the Army, Navy, and Aeronautics intelligence services will investigate the drug lords who control drug trafficking from locations far removed from the city slums. Some of their names are allegedly known.

According to city councilman Chico Alencar (PT) [Workers Party], who wrote down some parts of the conversation, Gen. Senna admitted that the military personnel may commit excesses and violate the Constitution as they raid slums. According to Alencar, Senna literally said: "Unfortunately, some constitutional rights will be trespassed upon. I acknowledge that some liberties are being restrained. We are not a battalion of social workers. That is why it is impossible to avoid excesses. Sometimes it is necessary to be hard, tough, and very firm."

According to the councilmen's report of the meeting, Operation Rio is far from coming to an end. The following are commentaries on Gen. Camara Senna's revelations:

—The Armed Forces information services will be reorganized in order to investigate the behavior of the big businessmen linked with drug trafficking. The general recalled that Brazil has had one of the best intelligence services in the world; it was dismantled after the fall of the Berlin Wall.

—The Air Force will act as an auxiliary force of the Federal Police to control smuggling and drug trafficking in Galeao Airport. The Navy will patrol Guanabara Bay and the port of Rio de Janeiro. With this, the military expect to close the main incoming and outgoing cocaine channels in the country.

—Most of the soldiers who are operating in the Rio de Janeiro slums have come from other states.

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—Using military ranks as an analogy, Gen. Senna admitted that only the soldiers, corporals, and sergeants of drug trafficking are operating in the slums. The officers are on the streets and the generals are abroad.

—Senna has personally commanded a raid in Morro do Fuba slum, northern Rio de Janeiro.

—Arresting suspects in the slums has stopped being a priority for Operation Rio. The objective now is to discover the drug maps and investigate the businessmen.

—The men arrested during the operation were taken to the Army Police headquarters in Tijuca District, where they did not have lawyers to defend them. Senna promised a public defender in the Tijuca Army Police headquarters.

After the meeting, the councilmen had different opinions about the Operation Rio. "We do not want to hinder the anticrime efforts," said Fernando Williams from the PDT [Democratic Labor Party]. "I did not like what I heard," said Guilherme Haeser (PSTU) [Unified Socialist Workers Party]. "The military is transforming the Rio slums into a laboratory," said Jurema Batista (PT).

Army Occupies Rio Slum in 'Lightning Action'

PY2711210294 Sao Paulo AGENCIA ESTADO in Portuguese 1952 GMT 25 Nov 94

[FBIS Translated Excerpt] Rio de Janeiro, 25 Nov (AE)—In the largest operation ever carried out against organized crime in the city, Army troops today occupied the Borel slum in northern Rio de Janeiro. At least 2,000 men arrived there in armored cars and helicopters, carrying heavy weapons. This raid also caused the first casualty since the joint Armed Forces action began against drug trafficking in Rio de Janeiro. A worker called Francisco Paulo da Silva, 59, suffered a heart attack when he was stopped by soldiers as he was heading to work. Although they assisted him, he died on the way to the Inamps [National Institute for Social Security Medical Assistance] hospital in Andarai District. The operation almost caused another death: that of its coordinator, General Roberto Camara Senna, who participated personally in the operation. Later on, Gen. Camara Senna reported at the Eastern Military Command (CML) headquarters that he had nearly been shot. The Army did not, however, reveal who had taken the shot. The troops pulled down the cross on top of Borel Hill, one of the symbols of the slum.

A brief shootout took place between Army soldiers and a man who ended up getting shot in the foot. The soldiers found an Army M-16 submachine gun buried on the hill. Several people were detained for investigation, including Reginaldo de Souza Oliveira, aka Dico, charged with being a drug trafficking administrator in the Borel slum. By late in the afternoon the CML had not yet informed the media on how many people had been arrested or what quantity of drugs had been confiscated. CML spokesman Colonel Ivan Cardoso said only that "a reasonable amount of drugs have been confiscated." The military raid of the Borel slum, which is considered one of the main strongholds for drug trafficking and one of the best armed slums in the city, began today at dawn.

The raid was a lightning action, and has no deadline for its conclusion. At about 0430 the soldiers began disembarking from Esquilo and Superpuma helicopters, taking their positions at the top of the hill. The slum's access roads were blocked at the foot of the hill by nine Urutu and Cascavel combat vehicles. All of the troops were transported in at least 50 trucks and 20 buses. The Army installed barbed wire barricades and control posts on the access streets. This time the drug traffickers' watchers did not light firecrackers to warn their gangs. The Army frisked hundreds of people. [passage omitted]

Police Brief Military on Arms Smuggling in Rio

PY2411022894 Sao Paulo AGENCIA ESTADO in Portuguese 2015 GMT 23 Nov 94

[Report by Carlos Nobre]

[FBIS Translated Text] Rio de Janeiro, 23 Nov (AE)—Maurilio Moreira, director of the Drug Enforcement Division (DRE), today reported that he had submitted to the coordinator of the Armed Forces operation against organized crime a report on the smuggling of sophisticated weapons that are intended for Rio de Janeiro drug traffickers. Moreira said the arms are smuggled along the old Rio de Janeiro-Sao Paulo road, which now supports light traffic. He said: "My investigations included only the 'drug bosses' who are operating in the slums." He was thus indicating that he lacked the political conditions to investigate the bosses who are financing the smuggling of arms into Brazil.

Moreira declined to confirm, however, whether the Rio de Janeiro numbers game bankers are behind the arms smuggling. Rio de Janeiro Prosecutor Antonio Carlos Biscaia said on 22 November that he had evidence that the numbers game bankers were selling arms to the drug traffickers in the slums of Rio de Janeiro. He said he has obtained testimony from witnesses that his office is keeping secret. Biscaia also reported that in the diskettes seized from the fortress of numbers game banker Castor de Andrade on 30 March, he found dozens of telephone calls by number games bankers to Santa Cruz de la Sierra and to other Bolivian and Colombian cities controlled by the drug cartels.

The route followed by the smugglers begins in Belvedere, in the municipality of Itaguai, in the interior of Rio de Janeiro. The arms are carried to that point in two or three cars from Paraguay, Santa Cruz de la Sierra, or Mato Grosso do Sul. The cars have false bottoms to hide the weapons. These weapons are then transferred to other vehicles and are taken to key distribution points. This operation is often referred to as "transshipment."

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Moreira said the weapons are Israeli or Russian machine guns and AR-15, M-14, and M- 16 rifles.

Soon to become the head of the General Specialized Police Department (DGPE), the most important Civilian Police organization, Moreira said he had submitted to the Army copies of the list of the 106 most wanted traffickers in Rio de Janeiro and the respective arrest warrants issued by two criminal courts. Listed among the leading traffickers are Ernaldo Pinto Medeiros, aka "Ue," of the Morro do Adeus and Juramento slum in Bonsucesso, in the northern part of Rio de Janeiro. "Ue" is believed to be controlling the drug trade in the Alemao slum, in Ramos, after having killed in July his rival Orlando da Conceicao, aka "Orlando Jogador." Also included in this list is Romildo Costa Filho, aka "Miltinho," of the Morro do Dende slum, who is believed to be the arms supplier of the Rio traffickers.

Moreira is currently facing an investigation for having planned an operation at the Nova Brasilia slum on 18 October, when 13 people were killed. Rio Governor Nilo Batista admitted that some of the victims were murdered by policemen.

Cardoso Appoints Maciel 'Political Coordinator'

PY2511232994 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 25 Nov 94

[FBIS Translated Text] President-elect Fernando Henrique Cardoso today denied allegations that, in appointing Vice President-elect Marco Maciel to serve as his government's political coordinator, he had yielded to pressure exerted against him by the Liberal Front Party.

Augusto Fonseca, the president-elect's press adviser, has stated that Cardoso appointed Maciel to do this job taking into account his experience and political vision.

Council of Party Leaders To Advise Cardoso on Bills

PY2411021894 Sao Paulo AGENCIA ESTADO in Portuguese 2233 GMT 23 Nov 94

[FBIS Translated Text] Brasilia, 23 Nov (AE)—President-elect Fernando Henrique Cardoso will be advised by a political council that will be in charge of discussing all government-sponsored bills before they are submitted to Congress. PP [Popular Party] President Alvaro Dias today confirmed the creation of the council after meeting with Cardoso at Alvorada Palace. Dias said that whether or not it takes part in the congressional bloc that will support Cardoso, the PP is willing to support Cardoso's administration. Dias said: "It is up to the president-elect to decide how much credit he is going to give to each party. I am sure he is going to give credit to the PP."

The future Political Council of the Cardoso administration will consist of the presidents of the political parties that supported his candidacy. They are: Pimenta da Veiga, of the Brazilian Social Democracy Party; Jorge Bornhausen, of the Liberal Front Party; and Jose Eduardo Vieira, of the Brazilian Labor Party. They are all scheduled to meet with Cardoso tomorrow (24 November) morning. Dias said he had been invited to attend the meeting. The PP elected five senators and 37 deputies in the recent elections.

Cardoso Reduces Initial Administrative Reform Plans

PY2311234594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Nov 94 p 3

[Article by Ilimar Franco]

[FBIS Translated Text] Brasilia—President-elect Fernando Henrique Cardoso has decided to create a permanent organization that will be charged with promoting administrative reform during his four-year term. The transition team has concluded that it would be politically unfeasible to implement a broad administrative reform immediately upon Cardoso's inauguration. An adviser to Cardoso said: "Instead, it was decided to implement a reform that would not be so broad and would avoid frictions, but which would be adequate enough for paving the way for future actions."

The main changes planned for the initial stage of the reform will affect the Planalto Palace structure. The Presidency of the Republic will count on tools that are considered to be essential in enabling the president to exercise both political and administrative control over the government. The model, which has already been designed, encompasses the General Secretariat of the Presidency, the Civilian Household Chief, the Planning Secretariat, and possibly a government secretariat that would deal with political issues.

An adviser to the president-elect said that officials holding the above offices "will not be able to fly on their own politically." They will serve as advisers, as instruments for Cardoso to exercise his coordinating activities.

The Civilian Household chief will be in charge of the legal drafting of government measures and of monitoring the legislative handling of those proposals of interest to the government. In light of these responsibilities, advisers to the president-elect believe that this post will suit Eduardo Jorge Caldas, Cardoso's former chief of staff in the Senate.

The Planning Secretariat will be charged with managing and coordinating actions by ministers and with implementing the government program, in addition to taking care of the federal government's budget. Another important task for the Secretariat will be that of ensuring administrative unity within the government.

Councils that had existed earlier in the Planalto Palace structure will be revived to serve as instruments of action for the Planning Secretariat. Because the task assigned to the Secretariat is politically sensitive, Cardoso has already strengthened as much as he could during this

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transition period the figure of economist Paulo Renato de Souza, who will be the planning secretary. According to Cardoso's close advisers, De Souza's profile is quite fitting for this position, which requires that the incumbent be free of conflicts with the other ministers.

The only role that has yet to be defined at the Planalto Palace structure is who will be dealing with politicians. There are two possibilities. The first is that the Civilian Household chief could be entrusted with this duty and, therefore, would then have a higher status than initially planned. The second would be the creation of a government secretariat similar to that created late in the Collor administration, which was charged with handling the political area.

Even if the second proposal is approved, Cardoso's advisers want to clearly establish the boundaries of this position. An adviser said: "The government's political coordinator will be Cardoso himself. He is very adamant about this." The government secretary would thus be in charge of meeting, conferring with, and making preliminary contacts with politicians.

After having hinted at a drastic administrative reform at the start of his electoral campaign, when he went as far as to admit to governing with a dozen ministers, Cardoso has decided not to make major changes at the beginning of this administration. A member of his transition team said: "Caution will be exercised in implementing the reform." The belief is that the elimination of the Social Welfare and Regional Integration Ministries, and of the Brazilian Welfare Legion, will be sufficient for sending the appropriate signals about the government's intention. An adviser said: "Those decisions will show that the new government is against opportunism and corruption."

A proposal envisaging the elimination of the Environment, Science and Technology, and Culture Ministries has been set aside. The proposal recommended that these ministries be organized as secretariats falling under other ministries. The president-elect considers this move to be very negative from a political standpoint. The proposal recommended that science and culture be placed under the Education Ministry and that technology and environment be placed under the Industry and Commerce Ministry. An adviser said: "This would cause many political problems. Cardoso once said that, whenever a ministry is eliminated, the message the action conveys is that that area is not important."

Franco Assesses Government's Economic Plan

BR2511135494 Paris LE FIGARO (LE FIG-ECO Supplement) in French 24 Nov 94 pii

[Interview with President Itamar Franco by Jean-Louis Peytavin; place and date not given: "The Real Plan: A Success for Itamar Franco"]

[FBIS Translated Text] [Peytavin] What is your assessment of your government's economic policy?

[Franco] The Brazilian economy, like all modern economies, is dependent on the cyclical variations of the world markets. This dependence was particularly unfavorable to us during the oil crises and during the increases in interest rates in international financial centers, prompted by the problems of the U.S. Treasury in the eighties. The Nixon government, by unilaterally reneging on its country's obligations, which had been confirmed at Bretton Woods, to honor its currency in gold, had previously linked the world financial system to the paper dollar and the most dependent countries, like ours, imported external inflation.

This situation was desperate throughout Latin America, and particularly serious in our case, because we were in the middle of an industrial expansion. With a few temporary problems, that expansion had begun from the end of the thirties. Interest payments on the debt, contracted at variable rates, which placed us at the mercy of creditors, became more onerous, reduced the level of internal savings, and prevented us from securing new finance.

One of the most serious consequences of this was the inflationist process; the government was forced to constantly resort to the market, not to control liquid assets but to finance the internal debt on which a large part of its external obligations weighed. The obligation to accept the demands of the financial market on the day sparked off a sudden increase in interest rates paid by the Treasury.

My predecessor tried to solve the problem by confiscating all the bank deposits, but that sparked off an economic recession. We then realized that the fight against inflation could not be won without the people's confidence.

The Real Plan was drawn up on these premises—not violating contracts and not freezing prices. For the market to respect the government, it was vital for the government to respect the market.

This does not mean that the state is sitting back and doing nothing about abuses. There are the resources of common law to deal with them. The major challenge of my government's economic policy has been to prevent this phenomenon from becoming uncontrollable, as has happened so many times during this century and in countries much older than ours. And all our action is being taken openly with regard to Parliament and public opinion.

[Peytavin] What are the main obstacles facing the new government?

[Franco] I do not see any obstacles other than the structural ones. The new government will have to continue to fight the social inequalities which not only prevent the full development of our potential—indeed by limiting the purchasing power of the internal market to combat inflation, we are dependent on exports—but

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also exacerbate the violence in the big urban centers. The class struggle which is part of the political struggle and has its basis in social philosophy, is now taking the form of acts of criminal rebellion.

Although it is the state's job to guarantee the security of individuals and property, which sometimes requires the use of violence, all sensible men know that only justice in relations between capital and labor will be capable of restoring and guaranteeing peace. And this problem is not only that of the developing countries. Throughout the world, crime is increasing because the civilization of comfort and consumption needs inequality and increased economic and social competition. I am convinced of the fact that society will have to find new paths in the near future to avoid terrible conflicts and to guarantee peace within nations and between the rich and poor countries. I am sure that the new government will take action not only against inequalities inside the country but will also make Brazil's voice heard in the demand for less inequality among the nations.

[Peytavin] According to you, will Brazil undergo major changes?

[Franco] The world will change a great deal and, consequently, so will Brazil. I am one of those who think that technical and economic development is behind social changes. The understanding of nature is speeding up. And when we talk of nature, there is no country in the world which has such a varied natural environment as Brazil. We all know that life becomes more thinly spread as you approach the poles and is much more prolific in the tropics, thanks to the sun, the soil, and water, with a fantastic variety of living species. We discover new species every day. We want these riches to contribute to the development of all men, but it is natural that we should profit from them for the good of our people.

Whereas previous industrial revolutions were based on fossil fuel and metallurgy, the new revolution will depend on electronics and biological engineering. The coal and mineral deposits of the last 200 years will be replaced by the big natural system, like the Amazon, and the new minerals are playing a more important role each day in the construction of sophisticated communications systems. Given that the new revolution depends more on creative intelligence than the sum of capital, I am convinced that Brazil will play a vanguard role in the next millenium.

'Positive' Report Issued on 150 Days of Real Plan

PY2611020594 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 23 Nov 94

[By Antonio Carlos Silva at the Finance Minisitry]

[FBIS Translated Text] The Finance Ministry today released a positive report on the 150 days of implementation of the Real Plan and reaffirmed the government's resolve to do away with indexation without resorting to either shock measures or freeze.

The Finance Ministry notes that the measures adopted recently to deter consumption have been instrumental in giving time to the industrial sector to meet demand. The report estimates that the Gross Domestic Product will increase by between 4 and 5 percent compared to that of 1993 and states that the plan has not brought about recession.

Federal fiscal revenues totaled 5.7 billion reals [R] in October. This brings the total acrrued revenues from January to October to R51 billion; that is, a 35.11 percent increase regarding the previous year.

The report outlines the measures adopted by the government to balance the exchange rate between the dollar and the real such as facilities to remit dollars abroad and hurdles placed for the inflow of foreign capital into the country.

The report also notes that the Long Term Interest Rate (TJLP)—which will be applied to loans granted by the National Bank for Social and Economic Development [BNDES] to allow companies to increase their production—will go into effect on 1 December.

The reports adds taht the volume of resources deposited in banks increased in September and October as a result of the measures designed to deter consumption adopted by the government. The net increase of deposits in savings accounts increasaed by 2.2 percent in October compared to that of September.

Decree Regulating Debt Amortization Fund Signed

PY2311193994 Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Nov 94 Business and Finance Section p 4

[FBIS Translated Text] Brasilia—President Itamar Franco has signed a decree regulating the Public Debt Amortization Fund [Fundo de Amortizcao da Divida Publica] that was created by the economic team to sell public companies' shares with the purpose of reducing the public debt expressed in government certificates. The government will sell public companies' shares quoted in the stock exchange. The fund will be made up of shares that surpass the share control portion of the companies in which the government is obliged to be the largest shareholder. It will also be made up of shares from public companies without this legal protection.

Shares from companies already included in the National Privatization Program (PND) will not be part of this fund. According to Finance Ministry estimates, the Amortization Fund, which will be administered by the BNDES [National Bank for Economic and Social Development], should raise somewhere between $3 and $4.5 billion.

The president of the Republic must yet define, through another decree, the kind, class, and quantity of shares that will make up this fund. Once this decree is issued, the National Treasury will have 10 days to deposit the chosen shares in the fund.

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Created by BNDES President Persio Arida, the Debt Amortization Fund also envisages hastening the privatization program. The government expects that the sale of the shares will allow the government to amortize the federal public debt, thus allowing it to reduce the interest paid every time the debt is rescheduled.

Despite the fact that the fund was regulated yesterday, the economic team does not believe it will be implemented during the administration of President Itamar Franco, who is viewed as an enemy of the privatization program by the economic team. The president's reluctance was demonstrated by his slowness in approving the structuring of the fund.

Franco Cancels Trip to Portugal for Third Time

PY2411020294 Sao Paulo AGENCIA ESTADO in Portuguese 2147 GMT 23 Nov 94

[Report by Tania Monteiro and Diana Fernandes]

[FBIS Translated Text] Brasilia, 23 Nov (AE)—Today President Itamar Franco canceled, for the third time this year, a scheduled trip to Portugal. Although the official reason given for the cancellation was the postponement of the meeting of Portuguese-speaking countries set for 28 November, it is known that since early this week the president has been reluctant to leave the country because of the threat of an oil workers' strike.

Late this afternoon Franco noted that he would only comment on the postponement of the meeting after conferring with Foreign Minister Celso Amorim, who is due to return tomorrow from Brussels. The meeting had been postponed for the first time in June, after Franco announced that he would not attend the meeting because of internal Brazilian problems. The meeting has now been postponed again because of internal conflicts in Angola, one of the countries taking part in the community.

The summit would have created the Community of Portuguese-Speaking Countries, an idea proposed by Brazilian Ambassador to Portugal Jose Aparecido de Oliveira. In view of its successive postponements, the implementation of the idea is becoming increasingly difficult.

Police Unaware of Hizballah Activity on Border

PY2611020094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2052 GMT 25 Nov 94

[FBIS Translated Text] Brasilia, 25 Nov (AFP-NA)—The Brazilian Federal Police [PF] do not have any information about the alleged presence of Lebanese pro-Iranian guerrillas training on the border with Paraguay and Argentina, official PF spokesmen told AFP today.

The information about the training of Lebanese guerrillas from the Hizballah (Party of God) in South American territory was revealed in Jerusalem by Israeli Deputy Defense Minister Mordekhay Gur, during a speech to the Israeli parliament.

"We know that some Hizballah members in South America are training in the use of weapons and are also collecting funds for this objective," said Gur.

Israeli Professor Ariel Merrari, an expert on international terrorism, confirmed to AFP in Jerusalem that "Iranians and pro-Iranian elements are particularly active in the triangle formed by Argentina-Paraguay-Brazil."

Chile

Congress Approves Uruguay Round of GATT

PY2411235594 Madrid EFE in Spanish 1323 GMT 24 Nov 94

[FBIS Translated Text] Santiago, 24 Nov (EFE)—Government and congressional sources today reported that the Chilean Senate unanimously approved the Uruguay Round of the GATT after the Chamber of Deputies also approved it.

Finance Minister Eduardo Aninat emphasized the importance of the decision saying that this will allow President Eduardo Frei to go to the Summit of the Americas, which will be held on 9 and 10 December in Miami, with the endorsement of the unanimous ratification of this agreement.

According to Aninat, President Frei will go to the Miami summit "with the best credentials for the talks that may follow on the possibility of Chile joining NAFTA" which is made up of the United States, Mexico, and Canada.

Aninat said it is "highly positive" for Chile to be among the founders of the World Trade Organization because of the prestige it has of being a country that quickly fulfills its obligations.

Aninat also recalled that the Uruguay Round agreement represents the gradual liberalization of subsidies and other protectionist measures that have hurt Chilean exports, and the establishment of better rules for the solution of conflicts.

Foreign Relations Under Secretary Mariano Fernandez said the ratification of the Marrakech Treaty will open greater opportunities for Chilean exports as a result of lower tariffs, and the liberalization of international trade established in the agreement.

He also said the participation of Chile in the World Trade Organization responds "to the interest of the state in which the public and private sectors, Congress, and all the people are involved."

Croatian President Begins Three-Day Visit

PY2811122994 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 28 Nov 94

[FBIS Translated Text] Croatian President Franjo Tudjman is making a three-day official visit to Chile. He will meet with Chilean President Eduardo Frei today.

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The Croatian president arrived at the international airport with his wife and an official delegation. He was welcomed by Foreign Minister Jose Miguel Insulza.

During his three-day visit to Chile Tudjman will meet President Frei at La Moneda Palace today and sign three agreements: one related to bilateral investments, another on scientific cooperation, and a third on an understanding on cultural matters.

Yesterday afternoon the Croatian president held a private meeting with businessman (Androny Collussich) and later met with Croatian residents in Chile.

Central Bank President Views Economic Issues

PY2411121094 Santiago EL MERCURIO in Spanish 9 Nov 94 pp A1, A14

[FBIS Translated Text] Central Bank President Roberto Zahler has forecast that in 1994, Chile's trade surplus will amount to some $200 million and that inflation, which will run at approximately 10 percent this year, will have been rolled back to 4 percent by the year 2000.

Zahler said that the prospects for Chile's economy are really promising. He said that the following are the pending challenges facing the government: To maintain, as has been rigorously done in the past, macroeconomic balances; to curb inflation to less than 4 percent per annum in the medium term; and to push ahead with the trade opening drive and with the integration of the financial system into the world economy.

After having delivered a speech entitled "Growth With Stability" during a congress on capital markets and investments held under the aegis of Euromoney and co-sponsored by the Central Bank, Zahler elaborated on the outlook for Chile's inflation during a news conference.

He said he was pleased by the fact that inflation had been systematically reduced over the last few years without causing microeconomic imbalances in any area, be it the foreign, labor, savings, investments, productivity, or wages sector. "All these elements, which are very important in Chile, are quite sound and balanced. Within this context, the idea is to continue reducing inflation in a gradual but systematic way," he said.

Basing themselves on the low IPC [Consumer Price Index] registered in October—only 0.6 percent as opposed to 2.6 percent in the same month in 1993—economic authorities have contended that inflation will stand at less than 10 percent this year. This has given rise to some concern in business and university circles, which have requested that the goal for a 9-percent inflation rate in 1995 be reviewed.

This notwithstanding, Zahler said that the subject must be assessed according to its own merits without taking into account specific situations occurring in a month because inflation is very erratic. "We will analyze that situation once we have more indications as to how the trend of inflation behaves," he said.

The Central Bank president noted that the only thing he could say for certain was that the IPC will range between 9 and 11 percent. Nevertheless, he declined to forecast a specific rate.

In reply to another question, Zahler said that as the government puts into motion the linking of the adjustment in civil servants' salaries to the estimated inflation and productivity—as was announced—inflation will be further rolled back next year.

"The important thing is to see what the final outcome of these negotiations will be. Still, that is undoubtedly a criterion that we deem most favorable in order to control inflation," he said.

With regard to the need for austerity in fiscal expenditures to further reduce inflation, Zahler pointed out that the Central Bank considers overall expenditures, of which government expenditures represent approximately 20-25 percent, as having an important warning effect or demonstration effect on the rest of the system. "In this regard, we are interested in keeping government and private spending concordant with macroeconomic balance."

Balance of Trade

Owing to the worldwide economic recession, which affected the prices of Chile's leading export products, the trade balance registered a $978.6 million deficit in 1993. This led the Central Bank to forecast that the trade deficit will exceed $900 million this year.

Nevertheless, in the light of favorable international conditions, this projection has been systematically reexamined. As a result, it was initially estimated that the trade balance would not show a deficit and then, as Zahler pointed out, that there would be a surplus, which, as of 15 October, totaled $394.3 million.

Zahler stressed that following the external debt crisis at the beginning of the 1980's, the Chilean economy has grown by 6.8 percent from 1986-94 and that the unemployment rate declined from 30 percent when the recession was at its height to 6.7 percent from 1986-94, with unemployment averaging 5.5 percent from 1990-94.

He pointed out that unemployment has bottomed out and that, even for international standards, the current rate is quite low. He explained that the increase of the unemployment rate to 6.7 percent in the third quarter of the year was due to the tight monetary policy the government implemented to control inflationary pressures.

He recalled that in 1992 and 1993, unemployment rates were particularly low in Chile (they dropped to 4.4 percent in the quarter extending from September to November 1993) and that many of those indicators may even be linked to an overheated economy. From another viewpoint, he said that as the unemployment rate lags

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behind economic activity, it is reasonable to expect that unemployment will gradually fall in the forthcoming months following the considerable upturn in economic activity currently taking place.

Zahler estimated that Chile's growth rate this year—4 percent—will be well below the country's potential growth rate of 6 percent and that this has had quite an adverse effect on the unemployment rate. He nonetheless added that it is expected that the upswing in the Chilean economy in 1995 will have a positive impact on employment.

The Central Bank president also underscored the upward trend of investment and savings. From 1986-94, the investment rate has averaged 22.5 percent of the country's GDP, with an upward trend for the last period. From 1990-94, the investment rate represented 24.2 percent of GDP, whereas this year it is likely to attain the all-time record of 26.6 percent. In addition, Zahler forecast that the investment rate will also attain a historic record of 26.6 percent of GDP this year. Both indicators are similar to those of some prosperous Asian countries, although not so high as most of them.

"Nevertheless, if investments and savings continue to grow as in the past and as we expect they will grow in the future, they will represent approximately 30 percent of GDP in the forthcoming years," he said.

Other macroeconomic indicators show that the per capita income in Chile rose from $1,438 in 1986 to an estimated $3,650 in 1994.

Interest Rates

Zahler pointed out that for the time being, the Central Bank has no intention whatsoever of changing interest rates once again. Following the increase in interest rates at the end of 1992 to dampen excessive consumption, which was giving rise to inflationary pressures, last October, in a first "loosening up" of the adjustment policy, the Central Bank lowered interest rates on securities having a 90-day maturity from 6.50 to 6.25 percent.

"We, at the Central Bank, subject the economy to close scrutiny at all times. This is why, in light of the behavior of the inflation and the leading macroeconomic aggregate figures, we thought it reasonable to reduce interest rates in mid-October," he said.

With regard to the need to review interest rates once again in order to attain a 5.8-percent growth rate in 1995—as Economy Minister Alvaro Garcia pointed out—Zahler said that this subject must be analyzed as one moves along. He explained that the late effects of a stricter policy implemented up until some months ago are now beginning to be felt together with the favorable effects of a very sound international economy, which is bringing about a very healthy economic growth in Chile led basically by exports and investments.

"As far as economic growth goes, we are clearly on the right track, and for the time being, we do not intend to modify interest rates," he said.

Exchange Policy

Commenting on the dollar exchange rate, which has remained close to the floor of the fluctuation band for nearly a month, Zahler acknowledged that the dollar has tumbled over the last few months. He also noted that the peso has depreciated against the yen and the German mark [DM], i.e., there has been a devaluation of the peso, and this is beneficial for Chile because a considerable amount of its exports have Japan and Germany as the final destination.

"One tends to attach too much importance to the drop in the dollar exchange rate when, from a foreign trade standpoint, it is not only the dollar that counts, but also the DM (Europe) and the yen (Asia)," he said.

The fact that the dollar has been close to the floor of the band over the last month does not make things particularly difficult for the Central Bank, which has not purchased a large quantity of dollars. "That is a market situation in which, as we have said time and again, we do not intervene," he said. The congress is taking place at the Hyatt Hotel, and will close today with a speech on "The Challenges Facing the Chilean Economy in the Year 2000," to be delivered by Acting Finance Minister Manuel Marfan.

Local Economic Group Partnerships, Investment Viewed

PY2311193594 Madrid EFE in Spanish 2155 GMT 22 Nov 94

[FBIS Translated Text] Santiago, 22 Nov (EFE)—An ECLA [Economic Commission for Latin America] report released today states that the process of internationalization began in the 1990's by Chile's largest private economic groups has lead to partnerships with major foreign companies and increased investments abroad.

The ECLA report says operations abroad have promoted the growth of those groups, both in their sales and in their profits.

The report, entitled "Economic Groups and Development: The Chilean Case," states that those groups currently account for more than 30 percent of the GDP.

The four main Chilean economic groups are Luksic, Angelini, Matte, and CAP [expansion unknown], while the so-called "new groups" include Sigdo Koppers, Carozzi, Enersis, and Abumohor.

The ECLA report states that these groups invested abroad in the same areas and activities in which they successfully engage at home.

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The report mentions the experience of Endesa [National Electric Company] and Enersis [expansion unknown], which are implementing electricity power projects in Argentina and Peru.

In Argentina, Carozzi is working with food while the Errazuriz group is working with supermarkets and car sales.

The ECLA report says the Cruzat group, which is traditionally linked with the financial sector, is operating retirement funds in Peru and Colombia, while the Luksic group is concentrating on the manufacturing and food sectors in Argentina and Peru.

One of the local groups that is most widely open to foreign capital is Luksic, which formed a partnership with Paulaner—Germany's most important beer company—to buy Chile's United Brewery Company, and with Lucky Goldstar and Midland Bank to exploit Los Pelambres copper mine.

Luksic joined forces with the Centrohispano Bank to operate through the O'Higgins Bank, and with Hong Kong Bank to operate through the Bank of Santiago.

The Matte group is involved in joint ventures with the Rothschild Bank in the BICE [expansion unknown] Bank of Santiago, while Angelini formed a partnership with Australia's Carter Holt Harvey.

The report attributes this creation of partnerships to the search for technological and managerial knowledge, above all in the area of financial planing.

The report says: "Technology transfer is important, but financial considerations remain the main factor for creating partnerships."

The ECLA report says economic groups have different objectives, depending on the stage of development of the economy in which they operate. Therefore, as countries achieve development, the structure of groups changes.

Colombia

Samper Views Summit Position, Peace Process

PA2611194394 Mexico City XEW Television Network in Spanish 0430 GMT 26 Nov 94

[Interview via satellite with President Ernesto Samper in Santa Fe de Bogota by Mexican journalist Jacobo Zabludovsky in Mexico City; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Good evening, Mr. President.

[Samper] Good evening, Jacobo. How are you doing over there?

[Zabludovsky] Very well, Sir. We are interested in finding out about the position Colombia will take at the hemispheric meeting that starts two weeks from today, on Friday?

[Samper] Colombia's position on the issues proposed for the agenda is the following: On the social development issue, we are going to present a proposal to establish a social solidarity network that will allow Latin America to reestablish the struggle against poverty which, unfortunately, we had put aside during the past years. Regarding political and institutional issues, Colombia has presented an initiative to get an inter-American agreement against money laundering signed. This scourge is detrimental to all of us, and I believe the agreement is essential to combat it at an international level and will also show that all the countries are serious in this intent and share responsibility in combating it. And, finally, regarding the struggle against corruption, Colombia will support Venezuela's proposal that we establish norms to fight corruption on the entire continent.

[Zabludovsky] President Samper, I understand you will come to President Ernesto Zedillo's inauguration next week?

[Samper] That is correct.

[Zabludovsky] Will you propose to him that Mexico and Colombia present a joint front on those problems, especially, regarding the money laundering issue?

[Samper] Yes, Jacobo. The main idea is that Colombia, Mexico, and Venezuela take a common stand on several of those issues. As you know, we have been actively working to define the role of the Group of Three [G-3]. The Colombian congress has already passed the first approval of the treaty signed with Mexico and Venezuela. A G-3 meeting is scheduled to be held in Miami. Furthermore, I also hope to talk to President Zedillo during my visit to attend his inauguration. I will talk to President Zedillo, who is a man who has great sensibility and knowledge, about the struggle against drug trafficking and other issues of common interest, such as the social one.

[Zabludovsky] Approximately a week ago, you gave a speech on Colombia's internal peace and your negotiations with the guerrillas. Could you explain the situation to us?

[Samper] Yes. Unfortunately, Colombia has lived through a prolonged war situation for more than 40 years. The war has been reactivated in the past years because of other factors associated with it. One of those factors is drug trafficking. I have presented a realistic and comprehensive peace proposal that, fundamentally, consists of the following: Let us accept the reality that we cannot stop the war to sign the peace. In fact, a peace accord is signed to end war. If we set the condition that there has to be peace to end war, well, there is never going to be peace because violent incidents will always occur. I say, let us negotiate peace amid the war. This means the Army and the Colombian Armed Forces will not lower their guard against subversion and organized crime. Second, I propose that we humanize war. Let us get the civilian population out of this conflict. Let us stop

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abductions and torture. Let us prevent innocent civilians who are in the crossfire between the contesting groups from continuing to be negatively affected by this war, which has already claimed a great amount of innocent victims in Colombia. And, third, I have summoned the civilian society to help us build peace, because war erupts but peace is built just as a building is built. I have called the Colombian civilian society to help me build this new peace for Colombia.

[Zabludovsky] Thank you very much, Mr. President. I hope to see you in Mexico next week and in Miami, Florida two weeks from today. Thanks again. Good night.

[Samper] Good night.

Analysts: Tariffs Target at Summit

PA2511193094 Mexico City NOTIMEX in Spanish 1638 GMT 25 Nov 94

[FBIS Translated Text] Santa Fe de Bogota, 25 Nov (NOTIMEX)—Colombia will seek to promote free trade without tariff restrictions at the Summit of the Americas in an effort to give its products more opportunities to enter the United States, it was announced today.

Political analysts, however, believe the Colombian Government can expect "very little" from the Summit of the Americas in this area, because President William Clinton will arrive at the summit with a "severely restricted" license in foreign policy matters.

The recent electoral defeat suffered by the U.S. President will have its first effects on the summit scheduled to be held in Miami, Florida, 9-11 December. The meeting will lack its previously hoped-for importance, because the main participant at the meeting will be a limited, weakened Clinton, according to columnist Enrique Santos Calderon.

In the opinion of Colombian editorial writers, the illusions of formalizing a true free trade system with the northern neighbor are being "diluted" by the political "earthquake" that rocked the world's top economic power. According to them, "very little can be expected from an ultraconservative enemy of all types of foreign aid, such as Jesse Helms, the new chairman of the Senate's Foreign Relations Committee, who has supported the idea of imposing trade sanctions on Colombia because of its drug trafficking."

The optimism of President Ernesto Samper is greater, however, and he hopes the meeting produces a U.S. commitment to provide better trade treatment for Colombian products. He also hopes to get support for the creation of regional mechanisms to help combat money laundering and drug trafficking.

Even though the Colombian proposal to sign an agreement to punish the launderers of money of dubious origin received the support of 19 countries of the region, the president believes it is important for the United States to assume its share of responsibility.

"We believe this contribution will be essential to the proper development of an integrated strategy to face the problem of drugs," Colombian Foreign Minister Rodrigo Pardo said while explaining the extent of the initiative that will be presented at the summit. For the Samper Government, the Miami summit will certainly become "an important element for future inter-American relations."

Within this framework, the Colombian Government will seek to encourage all countries of the Americas to establish a common front to fight money laundering based on solid commitments of cooperation. We have adopted this initiative within a global context, convinced we are facing a crime that does not have a single nationality, Pardo said in recent statements.

In addition to drug trafficking and true trade liberalization, Colombia also will bring to the summit a proposal to promote the implementation and development of environmental agreements signed at an international level. Likewise, the Colombian Government will promote the idea that social investment will lead to the birth of a people who are politically more active and supportive. It will promote the creation of educational programs in areas such as human rights and democracy.

The Colombian Government agrees with the host country that the summit will accelerate the development of the region based on more economic integration, as well as on shared values and interests.

Pardo Urges Opposition to Trade Barriers

PA2711192594 Mexico City NOTIMEX in Spanish 1816 GMT 27 Nov 94

[FBIS Translated Text] Santa Fe de Bogota, 27 Nov (NOTIMEX)—Colombian Foreign Minister Rodrigo Pardo said here today that his government is optimistic that a new type of alliance for hemispheric development will be reached at the upcoming Summit of the Americas.

Speaking to the domestic media, Pardo said the meeting must produce "a clear mandate against neoprotectionist barriers that obstruct fair and well-balanced trade."

Pardo said he foresees the possibility of creating a vast free trade zone throughout the hemisphere with a structure that would naturally include subregional blocs, such as the Andean Pact and the Group of Three.

After commenting on the need for greater cooperation based on mutual respect, Pardo said: "For the United States to fare well, it needs Latin America and the Caribbean to fare well." The Colombian foreign minister denied that this cooperation means intervention or meddling in the domestic affairs of the countries of the region. "On the contrary," he said, "this is the key to properly viewing these concepts."

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Pardo added: "U.S. authorities recently said the emphasis is not on seeking a new kind of U.S. policy but, rather, a new relationship with Latin America and the Caribbean." Pardo insisted that social issues could become a foundation for alternatives to neoliberal policies. He said: "Agreements must be reached to make education, health, housing, and employment programs more effective."

Defense Accord Signed With Venezuela; Samper Comments

PA2411010394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 22 Nov 94

[Report by Ricardo Canon from the Narino Presidential Palace; from the "Colombia 12:30" newscast—live]

[FBIS Translated Text] A meeting has just ended here at the Narino Presidential Palace during which the Colombian and Venezuelan defense ministers signed a joint agreement. The governments of both two countries have made a commitment by way of their Armed Forces to carry out joint operations to fight guerrilla activities, drug trafficking, and common crime along the border. President Ernesto Samper said in reference to the agreement:

[Begin Samper recording] This statement, the result of the recent binational meetings that took place along the border, clearly defines the various levels of coordination and execution that will direct the joint operations by the two Armed Forces. It also establishes the guidelines for creating the proper infrastructure the joint forces will need to carry out their operations based on precise and updated information; likewise, the document establishes control systems for the region's population, which is being manipulated by gangs of criminals for their own benefit. [end recording]

We have Colombian Defense Minister Fernando Botero Zea with us here after hearing President Ernesto Samper Pizano's statements on the joint agreement the Colombian and Venezuelan ministers have just signed, and we would like to ask you, Mr. Minister, what else would you add to the agreement in addition to the commitments we have made here with the Venezuelan Government, and what would happen if one of the points of the agreement is not fulfilled?

[Botero] This agreement is a very important one. We have put behind us the outdated concept of strategic enemies that used to separate the military forces of Colombia and Venezuela, paving the way for a new era in which the Armed Forces of both countries can look upon each other as friends, partners, comrades-in-arms in the fight against drug trafficking, subversion, and common crime. Consequently, this day is a very successful one for us all, because we have formalized our military relations with Venezuela, an action which will bring us enormous benefits in the future.

[Canon] What would noncompliance by either side mean?

[Botero] We signed on the presumption of good faith on both sides, and we know this will truly be the case; then again, it is not simply presumption, because we have been working on this issue shoulder to shoulder with the Venezuelan military and have had excellent results.

Venezuelan Minister Announces Deployment

PA2411010194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Upon arriving in Santa Fe de Bogota, Venezuelan Defense Minister Rafael Montero Revette announced today that 2,000 men of the Venezuelan Armed Forces will be deployed along the border to fight Colombian guerrillas:

[Begin Montero recording] These troops have received special counterguerrilla training. Some of the men who are permanently assigned to what we call task forces that operate specifically against guerrillas will also be assigned to this mission. [end recording]

Police Commander Blames Bombings on ELN

PA2711200494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 27 Nov 94

[Report by Carolina Sanchez and Juan Luis Martinez; from the "NTC News" newscast]

[FBIS Translated Text] [Unidentified announcer] This morning, guerrillas unleashed a wave of terrorism against two drugstore chains in Santa Fe de Bogota. Seven bombs exploded at various drugstores in the city. Here is Carolina Sanchez with the report:

[Sanchez] The explosions began at 0555. Low-grade explosive devices were placed in front of seven drugstores owned by the Electra and Granada chains. The bombs were planted at 45th and 13th Streets in Galerias, two in downtown Santa Fe de Bogota, at 37th and Caracas Streets, and near the (Can) sector not far from the Defense Ministry.

The explosions damaged nearby buildings. So far, there are no reports of any people being injured or killed. Meanwhile, neighbors are sweeping up broken glass and cleaning up the rubble left by the attacks. This man was at the intersection of 36th and Caracas Streets just minutes before the explosion:

[Begin first unidentified witness recording] I was startled by two youths I saw running past here. I suddenly looked back and saw a car going up in flames and smoke. [end recording]

[Sanchez] A few minutes later, the vehicle exploded. The terrorists hid the bombs in plastic bags and in biscuit containers. The bombs were detonated by slow fuses and were made with about 1 kg of dynamite each.

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[Announcer] Seven people have been arrested in connection with the explosions. Two of them were identified by eyewitnesses.

[Martinez] Bogota Police Commander General Luis Enrique Montenegro confirmed that this morning's terrorist attacks in several parts of the city were revenge bombings by ELN [Army of National Liberation] urban cells against the owners of the Electra and Granada drugstores.

[Begin Montenegro recording] All of this leads one to believe that this morning's attacks are some sort of retaliatory strike. Most likely, the drugstore owners turned down the ELN, and this is what we are looking into. [end recording]

[Martinez] Another witness identified two of the seven people now under arrest. They allegedly planted bombs in the (Teuosaquillo) sector.

[Begin second unidentified witness recording] I was only able to identify two people—one because he was wearing a small cap and the other because of his height. [end recording]

[Martinez] The police commander explained that a security operation has been put into effect around the main offices of the drugstores to prevent new dynamite attacks. During this operation, another bomb was defused downtown at the corner of 33-A Street and 13th Avenue.

[Announcer] It appears as though the drugstore owners were being extorted by a guerrilla group. Many people were affected by these terrorist acts.

[Martinez] Retaliation by a guerrilla cell after failing in its bid to extort goods from the owners of the Electra and the Granada drugstores in Santa Fe de Bogota was the cause of this morning's terrorist attacks. Fifteen days ago, 11 people were arrested while attempting to steal bandages, antibiotics, toothpaste, and other things the authorities believe were bound for guerrilla camps.

The drugstores were founded by their respective families 50 years ago. Nevertheless, these businessmen were not the only victims. Neighbors in the Galeria sector also suffered the consequences.

[Begin recording of businessman Jorge Daza, identified by caption] More or less, our losses amount to 5 million pesos. [end recording]

[Martinez] No one really knows how much was lost. People are still sweeping up broken glass and trying to recover from the shock of the explosion that awoke them this morning.

ELN Heads Rule Out Government Peace Proposal

PA2711203194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 27 Nov 94

[Report by Adriana Villamarin; from the "NTC News" newscast]

[FBIS Translated Text] Who can figure out the guerrillas? The country has been receiving nothing more than confusing and contradictory signals from the subversive movement, especially from the ELN [Army of National Liberation].

A few days ago in the "NTC News" newscast, Father Perez expressed his inclination to humanize the conflict, as well as to begin a process that could lead to peace negotiations. Then, not more than a few hours ago, the "TV Today" newscast disclosed a letter sent by Francisco Galan to the government peace commissioner requesting guarantees on conditions leading up to a negotiations process.

Now, however, in an interview with the "NTC News" newscast, the ELN's second in command, Nicolas Rodriguez, alias Gabino, as well as Antonio Garcia, the No. 3 man in the rebel movement's hierarchy, are ruling out the government's peace proposal. Who should we believe?

Because we believe this interview could be a significant contribution to an eventual peace process, "NTC News" has decided to broadcast it. If the peace process should ever materialize, it will most likely resolve all of the previously mentioned contradictions.

[Begin Rodriguez recording] We believe that so far there has been nothing new. We simply have nothing more than a makeover of the Gaviria proposal. [end recording]

This is how the ELN's second in command, Nicolas Rodriguez Bautista, alias Gabino, described President Ernesto Samper's peace proposal. An "NTC News" crew traveled to the ELN's headquarters to learn the subversives' position on the government's peace proposal.

The reporters' appointment was originally set with Father Manuel Perez, the ELN's top leader. However, Father Perez was unexpectedly replaced by Nicolas Rodriguez Bautista, alias Gabino—the group's No. 2 leader, as well as the individual responsible for the ELN's military operations—and Antonio Garcia, who is third in command. Garcia served as the ELN's spokesman at the Tlaxcala peace talks.

[Begin Garcia recording] All of us are willing, and if, as the saying goes, we are going to speak of good intentions, this road is so heavily paved with good intention that we all know where it is leading. We contend that the Samper government has yet to present a concrete proposal. [end recording]

The ELN's position is somewhat radical with respect to President Samper's proposal, which includes a dialogue without a truce, the acceptance of international monitoring, and private talks.

[Begin recording] [Rodriguez] We believe peace is a problem that pertains to all Colombians, and this, of course, includes the media.

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[Garcia] We believe the most important point is to surround the negotiations process with a spirit of credibility. On the previous occasion in Mexico, we maintained that international oversight was critical—in other words, an international organization that would oversee the process. [end recording]

With respect to the likelihood of conducting talks outside of Colombia, the ELN is demanding that the government issue a diplomatic passport to its spokesman Francisco Galan, who is currently imprisoned at Modelo Prison.

[Begin Garcia recording] Pacho [Francisco Galan] is our spokesman, and therefore, if the government expects to talk and explore possibilities, then it should enable him to carry out his duties. Logically, if his duties are to be carried out abroad, then he should be issued a diplomatic passport. [end recording]

The report you have just seen was reviewed and analyzed by President Ernesto Samper and Peace Commissioner Carlos Holmes Trujillo. The peace commissioner told "NTC News" today that he would rather abstain, for now, from commenting on the report, because he does not believe the news media comprise the proper venue for holding peace talks.

Samper: Government Expects Intensity of War to Decrease

PA2611033894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 25 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The government has headed another chapter in the country's search for peace. The president has reacted and put the ball back in the court of the Guerrilla Coordinating Board today now that the guerrillas have already announced they had definitely received the executive's proposal:

[Begin Samper recording] The government expects the intensity of the war to decrease immediately. Although it is willing to find a political solution to the problem of violence, this point does not mean it will lower its guard and use the Armed Forces to ensure the constitutional guarantees of all the citizens of Colombia. [applause] [end recording]

Samper has expressed his satisfaction over the positive acceptance given to the initiation of the process of pacification but has warned it will not be achieved very easily:

[Begin Samper recording] Colombians should not expect magic solutions to the problem of violence. We will take the necessary time and will do all we can to achieve the permanent and stable peace desired by all. [end recording]

President Samper headed the closing ceremony of an upper military course of study at the Superior War College.

Minister: 'Serious Consequences' if Narco-Bill Approved

PA2511001494 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 24 Nov 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The justice minister said today the country will have to face serious consequences if the narco-bill is approved. The draft bill went from the first commission to the plenary of the chamber during a session yesterday that shocked everyone.

The following are four of those consequences: At least 1,500 investigations of people linked to narcotics trafficking would have to be filed away, because many of them are being processed for enriching themselves as a result of that business and not because there is any evidence that they were involved in narcotics trafficking.

The courts would have to return all property seized from individuals linked to narcotics trafficking, estimated at more than 8 billion pesos, because the bill states that properties can be seized only oy a court order and not by other offices such as the Prosecutor General's Office, the police, or the Administrative Department of Security.

If the bill is approved and any of the intelligence authorities find the 24 billion pesos robbed from the Bank of the Republic at Valledupar, these pesos could not be seized. It would be necessary to wait for a judge to issue an order.

The bill also would entail the elimination of the regional courts and the faceless judges, and nearly 800 narcoterrorists and guerrillas would leave prison, because the jurisdiction covering them would expire.

Approval of the narco-bill would also entail not punishing the figureheads or front men, because they could only be brought before court when the courts have condemned the criminals whom they have allegedly covered.

The justice minister said the narco-bill openly violates nine articles of the Constitution. Miguel de la Espriella, who originally proposed the bill, refused today to propose the bill once again before the plenary session.

Parties, Unions Back Government Stand

PA2811043794 Santa Fe de Bogota EL ESPECTADOR in Spanish 24 Nov 94 p 5A

[FBIS Translated Excerpt] The boards of the two traditional political parties, the National Union Council, and broad sectors of public opinion backed the government's strong stand against the so-called narco-bill.

The National Liberal Directorate invited the plenary of the Chamber of Representatives yesterday, to shelve the bill on illegal enrichment and the use of front men

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because it is inconvenient, not technical, and unconstitutional. Also, because it suppresses effective mechanisms to further the struggle against corruption.

The Conservative National Directorate made a similar pronouncement after a long interview with President Ernesto Samper Pizano and Government Minister Horacio Serpa to define the terms of a new program agreement.

At this meeting, which took place at the Presidential Palace at noon, President Samper reiterated that the executive will oppose this initiative with all its means because it considers the bill to be clearly unconstitutional and inconvenient. Later, during his visit to Cali, Samper invited the congressmen to reconsider and kill the bill at the chamber's plenary.

Minister Horacio Serpa Uribe announced, in statements to the CM newscast, that the government will request that radio and television stations broadcast the chamber's plenary debates and voting process on the narcobill. The country must know who is against the will of most Colombians and also the executive's strong reasons for opposing the bill, he said. [passage omitted]

Dumping, Contraband Said Harming Industry

95CA0025A Santa Fe de Bogota SEMANA in Spanish 1 Nov 94 pp 66-68

[FBIS Translated Text] Nobody really knows if what happens in Medellin on Friday of this week will be enough to make Rafael Escalona decide to "talk" for Admiral Padilla and "Tite" Socarras. But it is known that the government wants to get a grip on the contraband and unfair competition that have been hurting various parts of our national industry. So when the Superior Council on Foreign Trade meets in the provincial capital, the idea is to have a package of measures ready that will make it possible to really attack a problem that cannot be tolerated indefinitely.

That impression persists despite the fact that, overall, industry has been doing well. At the end of the third anniversary of the decision to speed up trade liberalization both DANE [National Administrative Department of Statistics] data and a number of business surveys show that industry is continuing to grow.

Still, if the situation is analyzed more thoroughly, disparities do begin to appear. As has happened in other countries that have traveled the same route as Colombia, with the internationalization of the economy the fate of different industries ceases to be uniform. DANE confirms this in its most recent report on the manufacturing industry, covering the first half of 1994. Even though the sector's real growth came to 4.7 percent (excluding coffee), individual figures are more diversified. "There is unbalanced growth in the industrial sector," says Minister of Development Rodrigo Marin Bernal.

First, the good news. Few sectors have done as well recently as the construction industry. The construction cycle is now going into its third year, stimulating in its wake employment and economic activity. In the midst of trade liberalization, few would venture to compete with the national production of materials in which transport costs are a decisive factor.

This is very pleasing to businesses like cement plants, as shown by a rapid analysis of the results of six of the biggest companies in this sector. At the end of the first half of 1994, they recorded significant increases in their assets, sales, and profits.

"This is the ideal sector," Javier Fernandez, president of ANIF [National Association of Financial Institutions], told SEMANA. "It is not threatened by imports and it is internationally competitive. It is in good shape," he added.

In such conditions, it is not surprising that cement plants are growing. This industry's capacity rose from 8.8 million tons in 1991 to 10.5 million in 1994, a 19 percent increase in three years. In addition, expansion projects are under way in at least four plants: Diamante, Paz de Rio, Rio Claro, and Boyaca. "Industry has given a vote of confidence to the future of the nation," believes Andres Uribe, president of Cementos Diamante.

A good part of that optimism is supported by the Cusiana oil boom. Universal experience has demonstrated that these bonanzas always stimulate the construction industry, and Colombia is not expected to deviate from that pattern.

That is also the expectation of the vehicle assembly plants operating in Colombia. Although this group is exposed to international competition, its growth remains positive. And even though it is believed that the number of units fabricated this year is going to be similar to what it was in 1993, that is still 73 percent above the number assembled in 1991.

Such record production levels draw attention in a country where imported vehicles now have almost half the market. But one unexpected effect of trade liberalization was to expand the size of the pie to unexpected proportions. Sales for 1994 are estimated at 140,000 units, more than twice what they were at the beginning of the decade.

There are a number of reasons for this. "The real price of vehicles has declined and financing options have improved," says Jose Fernando Isaza, president of CCA-Mazda. However, this has not been reflected in the businesses' financial statements. Even though the three assembly plants show profits, the margins have narrowed.

There is also concern about competition from neighboring countries. "We are in a very weak position in terms of the Andean Group," says Ricardo Obregon, president of Sofasa-Renault. That is disturbing, especially as over 20,000 vehicles—35 percent of the market—come from Venezuela and Ecuador. In contrast, Colombia's exports barely come to 2,000 units.

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Still, experience in this field has taught a number of lessons. The most important is that it is possible to compete and even grow in a liberalized trade environment. This has happened in other sectors like publishing or machinery.

But what does seem very difficult is competing against contraband and underbilled exports [dumping]. That has at least been true in the textile industry, a sector that provides 11 percent of the manufacturing product and generates more than 100,000 jobs.

The present situation seems to be a repeat of an old story. At the start of the past decade this industry was in such a decline that it led to reorganizations of companies of such renown as Fabricato. At that time weak domestic demand and technological backwardness were on the verge of destroying an industry that is as old in Colombia as national industry itself.

Government aid and the economic recovery helped the sector to recover at that time. Businesses in the sector even began extensive reconversion processes, and it is estimated that in the last three years they have invested nearly $480 million in new equipment.

But despite that effort, results have not been seen. Sales at the end of the first half of 1994 rose less than an annualized rate of 11 percent, while inflation was close to 23 percent. And even though the consolidated results of the industry show profits (see table), they are due more to accounting procedures than to reality. "There is no doubt that there is a crisis," believes Jose Manuel Arias Carrizosa, president of Ascoltex [Colombian Textile Manufacturers Association].

Trade liberalization is not necessarily to blame for the crisis. "The situation has deteriorated because of revaluation, money laundering, and contraband, both overt and technical contraband," says Jorge Restrepo, president of Fabricato.

In response, the government has decided to attack unfair trade competition. Its measures will be announced this Friday in Medellin, and they include a number of points. The first is a reform of the antidumping statute, whose procedures are now cumbersome. It is estimated that it takes a national producer who feels he is hurt by imports up to nine months to demonstrate his case, if he is able to assemble the paperwork that is required. What they want to do now is turn around the burden of proof and shorten the time required.

Moreover, Colombia is going to follow the course taken by a number of Latin American countries that have restricted access to its markets to products from China. China exports at prices lower than those of any other competitor, and it has generated so many disruptions that the only remedy seems to be to close the doors to Chinese trade. This was decided by the Customs Committee when it imposed protective measures for two months—which could become permanent—on imports of textiles, clothing, and footwear from China. These imports increased at annual rates of 97 percent, 78 percent, and 111 percent, respectively, during the first half of the year.

Finally, there is contraband. Although last week discussions were still continuing on this issue, measures including greater policing activities, with the participation of the police forces, were being studied. Consideration has also been given to expanding the responsibilities of customs agents, improving importers' records, and using the services of international auditing firms to certify certain imports. Such measures are in line with the proposals made by the Export Action Plan presented a few weeks ago by Analdex [National Association of Exporters].

Only time will tell whether all those decisions will be effective. Still, the issue of contraband is now on the agenda. So much so that the government's effort to ensure a good climate and the harmonious growth of industry, thus averting headaches for the Colombian economy, will largely depend on its resolution. As Fabricato's president says: "Everybody's well-being is at stake in this."

Statistics of 11 Textile and Clothing Companies* (in billions of pesos)

	June 93	June 94	Change (Percentage)
Assets	904.9	966.1	6.8
Sales	215.5	238.7	10.8
Financial Costs	26.8	35.2	31.0
Profits	-3.0	5.1	NA

* Coltejer, Fabricato, Conf. Colombia, Fatextol, Federaltex, Fibratolima, H. Medellin, ICCSA, Unica, Tejicondor, and Texpinal.

Source: Supervalores.

Possible Changes in CNP Leadership Viewed

95CA0037A Santa Fe de Bogota SEMANA in Spanish 8 Nov 94 pp 40-43

[First paragraph is SEMANA introduction]

[FBIS Translated Text] Two months after the shakeup in the police, friction is resurfacing with a power struggle between the candidates to replace General Octavio Vargas as director of the National Police.

Very early in the morning of Wednesday, 14 September, Defense Minister Fernando Botero Zea met General Roso Jose Serrano in the Military Club for the tennis game they had planned the day before. According to a Defense Ministry source, the invitation came from Botero, who wanted to meet with Serrano in an environment free of tension so they could discuss the scandal created by the shakeup the government felt obliged to conduct in the National Police leadership in early September.

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Until that time Serrano was practically unknown to the new defense minister, who during the weeks prior to taking office had established close contact with his predecessor, Rafael Pardo Rueda, but had not yet met with the second level of the various branches of the armed services. So Minister Botero was surprised when, upon learning of the changes in police leadership, Colombia's communications media and some spokespersons for the U.S. government closed ranks around Serrano—whose service in the antidrug program some time ago earned him a well deserved reputation for honesty and efficiency—and criticized the government for sending this prestigious officer into diplomatic exile while the National Police is going through the worst crisis of its history. Persons knowledgeable about the police feel it does not make sense for Serrano to be forced to give up the deputy director's post to General Guillermo Diettes who, despite his greater seniority, lacks a *curriculum vitae* as stellar as Serrano's.

At the end of that tennis game—SEMANA learned these details from a source in the Casa de Narino—Botero and Serrano spoke for half an hour. With great cordiality, Botero assured Serrano that a report just published in SEMANA in an article entitled "What Happened in the Police" about the changes was true. That article stated, citing a high-level government source, that SEMANA had been told that after about six months in Washington, Serrano would become the new director of the National Police.

Second Round

Feuding between the generals apparently disappeared when the changes started. But now, two months after the crisis, a second round has obviously begun. Apparently informed of the conversations that followed the Botero-Serrano tennis game, General Diettes realized that if he wanted to become police director he would have to get moving, and fast. "As he has more seniority than Serrano, Serrano's promotion to the command post would mean immediate retirement for Diettes," one official told SEMANA.

The present deputy director of the police does have an ace up his sleeve, which had already helped him to become the number two man in the police after the September shakeup: his long-standing friendship with the chief executive. "It is not that Samper would intercede for him," a Defense Ministry official told SEMANA, "but rather that everybody knows the high regard he has for Diettes, and that can not be denied." But another government source says that Diettes is doing more than just allowing his known friendship with the president to weigh in his favor when the decisions are made. According to these reports, during the 45 days he has spent as deputy director, he has held talks with a number of top government officials, including Minister of Justice Nestor Humberto Martinez, and these talks have been viewed by other officials as part of "his lobbying campaign."

Some police sources say these activities may have created differences between Diettes and his superior, the present director Octavio Vargas. However, most of the officials consulted by SEMANA deny any such friction. "The conspiratorial environment on the fourth floor of police headquarters that existed before the departure of General Fabio Campos in September has disappeared. The atmosphere is different there now," explained a colonel.

But aside from whether or not Diettes has been campaigning and whether that may have damaged his relations with Vargas, the truth is that his chances of rising to the top police job are now better than ever. A source in the Casa de Narino reported that Diettes' proximity to the top levels of government will be the decisive factor when the new changes are made in the police leadership. "There is no doubt that right now he is the leading candidate for director, but his friendship with the president does not count for as much as the confidence which Diettes inspires in the chief executive at a time when it is very hard for the government to find people it can really trust in the midst of the police crisis," said the source.

The eventual departure of Vargas—who on 10 December will become a three-star general—and the almost certain appointment of Diettes would mean Serrano's automatic retirement. But since Botero has not forgotten his conversation with Serrano after their tennis game, it is certain that the issue is not going to be settled so easily, and while the minister may not have the power to pick the new director, he might be able to create support for an intermediate solution. "That solution might allow Vargas to remain after December so that he can actually enjoy his third star," one Army source told SEMANA. "This solution would have the advantage of giving Vargas a much more seemly start for his retirement."

From Bad to Worse

The problem with this stopgap solution is that it would overlook the fact that very little has changed in the police since the shakeup in September. On the contrary, in some respects things have gotten worse. When the changes were made, the government said it was trying to improve operational capability, to restore leadership in intelligence, and to shake up the police in Cali, which was completely penetrated by the drug traffic.

Now the police are without an operational commander because the transfer of General Luis Montenegro has not happened; he is remaining with the Bogota Police at the request of Mayor Jaime Castro. In intelligence the work of the DIJIN [Judicial and Investigative Police Directorate] has drawn attention because of the robbery of the Bank of the Republic in Valledupar, but that action has been tainted by the participation of a good number of police agents in the illicit and obscure death of a suspect who had just emerged from DIJIN custody.

Perhaps the principal blemish is the pursuit of the Cali cartel. With the exception of an operation against some

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money launderers, the action of the Investigation Unit in the Valle del Cauca is practically paralyzed. "We do not know why we have not gone back to planning operations. There is almost no intelligence activity, and what there is is almost worthless. Not even my General Diettes, who as deputy director is supposed to be the head of the Investigation Unit, has gone to Cali to talk with the few people left there. It is as if they wanted the issue to be forgotten," said a police officer who took part in operations against cartel leaders in the first half of the year and who now feels nostalgic for those days.

Nor have the police explained how Gilberto Rodriguez Orejuela could have met in Cali and in an apartment north of Bogota with a foreign journalist without their intelligence services knowing about it, especially as some people say the interview contact was a journalist who routinely communicates with the Rodriguez brothers.

These facts are well known by the U.S. government which, as SEMANA has determined, is very concerned about the possibility that General Serrano might leave the police, putting one of the last officials to inspire confidence in Washington out of the police. "Rather than eager, we are deeply concerned," said a State Department official. "Here we believe only in General Serrano. We are waiting to see what is done against the cartel, but so far nothing has happened."

As may be seen, the government faces a major dilemma concerning the police leadership. And the issue promises to heat up as the end of the year approaches, when changes throughout the Armed Forces are customarily announced. The only thing that can be taken for granted is that the coming days will be eventful and definitive for learning the outcome of this story.

Military Shakeup?

If the succession in the police leadership is turbulent, it is no less so in the Military Forces. SEMANA has learned that the defense minister now has ready the principal changes in the Army leadership, but he has not yet decided who will take command of the FFMM [Military Forces], replacing General Ramon Emilio Gil Bermudez.

The problem is that Gil suggested that the government appoint as his replacement General Luis Alberto Rodriguez, the present chief of the joint command staff. And to replace Rodriguez, he suggested that General Hernan Jose Guzman, the present Army commander, be named.

There are quite specific reasons behind that proposal. According to highly reliable sources consulted by SEMANA in the Casa de Narino and the Defense Ministry, Gil is reportedly annoyed with Guzman and did not want him to take over his post because "since the change in administration, General Guzman has always been very close, perhaps overly close, to Minister Botero. And that is not even his fault, as the minister frequently needs to talk with him, and that interrupts the chain of command that reigns in military ranks."

For Army commander, our sources said that General Camilo Zuniga Chaparro, the present second in command and Army chief of staff, is a certainty. Another change considered definite is the return to Colombia of the controversial General Harold Bedoya Pizarro who is now serving as Army delegate to the IADB [Inter-American Defense Board] in Washington, where he has been since last December. The official spokespersons whom SEMANA consulted said that Bedoya would be named second in command of the Army. They also say that General Luis Humberto Correa, the present inspector general of the FFMM, will probably be sent to the United States.

The present commanders of the Air Force and Navy will reportedly be confirmed in their posts. They are: General Alfonso Abondano Alzamora and Vice Admiral Hernando Garcia Ramirez, respectively.

Ecuador

Summit Agenda Discussed With Colombian Foreign Minister

PA2411203994 Madrid EFE in Spanish 1328 GMT 24 Nov 94

[FBIS Translated Text] Quito, 24 Nov (EFE)—Galo Leoro and Rodrigo Pardo, the foreign ministers of Ecuador and Colombia, respectively, expressed today in Quito their desire for the Summit of the Americas—to be held in the United States in December—to result in commitments that will allow concrete progress toward free hemispheric trade.

Leoro told EFE that the Ecuadoran Government has made its observations on the draft declaration drawn up by the U.S. State Department, basically emphasizing free trade. "The statement should have some type of financial support for its future programs" so there is "broader participation by the United States as a developed nation," he stated.

Leoro said that in Washington "final negotiations will be held on aspects of international trade" over the next few days, and a week later the hemisphere's deputy foreign ministers will do "a final review of the document" to see that it specifies concrete steps "to satisfy less developed nations."

"It is obviously a political document that will have some new points to coordinate," he added.

Meanwhile, the Colombian minister indicated that the Santa Fe de Bogota government will address at the summit "the need for the hemisphere to truly progress toward free trade." Pardo emphasized that the subregional agreements on the issue should be coordinated "so we can progress toward a hemispheric free trade zone." He noted that "in this undertaking, one must combat a

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sort of ghost that is wandering the world these days; a new nontariff protectionism disguised as environmental protection, human rights, and all types of causes that are really making free trade more difficult."

In the wake of the hemispheric alliance "against communism during the Cold War," Pardo said Colombia wants to seek "other links, this time in favor of progress social development and against poverty and common problems such as drug trafficking and organized crime." We believe that the meeting convened by U.S. President Bill Clinton "is a good opportunity to find the Americas' new identity," he noted.

He stated that Colombia will also present a plan for coordinated action, the details of which he did not disclose, against "the laundering of drug money."

"This is an activity that is developing more or less freely, much more freely than we Colombians would like. To the extent that it flourishes, it will continue to nourish drug trafficking," he warned. He stressed that a hemispheric agreement on the issue "would be a step in the right direction to begin tearing down the vast structure of this drug trafficking crime."

Plan To Fight Money Laundering To Be Proposed

PA2511134994 Quito Voz de los Andes in Spanish 1200 GMT 25 Nov 94

[From the "The Voz Andes Newscast"]

[FBIS Translated Text] The Colombian foreign minister [Rodrigo Pardo] has announced that his country will propose penalities for the crime of money laundering at the international level. He added that this will be an important means to halt the unchecked entry of money from drug trafficking.

[Paris AFP in Spanish at 0254 GMT on 25 November, in a 150-word, Quito-datelined report, adds that, during the Colombian foreign minister's visit to Ecuador, Pardo also stated: "We are proposing an inter-American convention on money laundering to create mechanisms for the exchange of information and joint investigations, as well as steps to ensure that money laundering is treated as a crime." The report adds: "Ecuadoran Foreign Minister Galo Leoro Franco said that at the hemispheric summit in Miami 'Ecuador will propose stronger mechanisms to prevent drug trafficking and money laundering.'"]

President To Leave Hospital; Plans To Attend Miami Summit

PA2511130294 Quito Voz de los Andes in Spanish 1800 GMT 24 Nov 94

[FBIS Translated Text] We have just received a telephone report from the presidency press spokesman, who a few minutes ago contacted President Sixto Duran-Ballen in the United States to learn about his state of health, when he will be returning to Ecuador, and other issues of national importance.

President Sixto Duran-Ballen mentioned that he will be returning to Ecuador tomorrow and that the IMF had approved the government's economic program without any reservations. He also added that two loans had been approved by the Inter-American Development Bank [IDB]. Let us now listen to President Sixto Duran-Ballen during his telephone conversation with the presidency press spokesman here in Quito following his meeting with his doctors:

[Begin recording] [Duran-Ballen] They have made a final examination and have decided to allow me to return, but with several recommendations as to what I should or should not do during the next few weeks in order to fully recover. Tomorrow, at approximately 1000, I will be returning to Quito. We have one stopover scheduled to refuel in Fort Lauderdale before arriving, and I expect to be in Quito sometime around 1800 or 1900.

[Unidentified presidency spokesman] Mr. President, what can you tell us about the meetings you held over the past weeks in Washington with Ecuadoran Government officials, representatives of international organizations, and foreign governments?

[Duran-Ballen] First, I was in constant telephone contact with the vice president, who is also the acting president during my absence, as well as several state ministers. We discussed issues related to their respective responsibilities. For one reason or another, some of the ministers had to travel to Washington on official duties. In some cases, I summoned ministers so that we could discuss specific issues.

In addition to these meetings, I also met with President Gaviria [title as heard], IDB President Enrique Iglesias, and World Bank and IMF officials. Therefore, I was able to take advantage of my stay here to meet with [words indistinct] to make some arrangements with the ambassador. A few days ago, the IDB approved two loans, and now it is preparing to approve another within the next few days. In this respect, IDB President Iglesias suggested that the three loan agreements could be signed in Miami on 8 December prior to the presidential summit.

Therefore, we were making arrangements [words indistinct] to meet on that date. On the other hand, at its 13 December Board of Directors meeting, the World Bank decided to approve three loans for Ecuador [date as heard]. [Words indistinct] I was notified yesterday that the IMF had approved the economic development plan without any additions. The IMF even pointed out that this was the first time an economic program had been unanimously approved without some type of observations being made by one of its board members.

Also, I met with U.S. State Department officials, former President Gaviria, and other foreign ambassadors accredited to the White House and the OAS, with whom

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we discussed issues related to Clinton's summit. We expect to continue with the meetings, and it is possible that within a few days I will be summoning the ambassador back to Quito to evaluate, along with the foreign minister, the country's final position before returning for the summit in mid-December [as heard]. This is a general summary of what I have been able to accomplish during my stay, but I also was able to take advantage of my visit. [end recording]

Returns to Country

PA2711035994 Paris AFP in Spanish 1744 GMT 26 Nov 94

[FBIS Translated Text] Quito, 26 Nov (AFP)—The Ecuadoran president, septuagenarian Sixto Duran-Ballen, is resting in Quito today following his return yesterday from Washington, where he underwent spinal column surgery for a second time, a source at Carondelet Palace, the presidential seat, has reported.

The president was in Washington for almost a month while Ecuador was socially and politically astir and a storm of protests raged against the government's economic policy.

In the most recent economic adjustment, the executive raised the price of diesel fuel more than 60 percent on 1 November, a measure which sparked general protests from students, workers, fishermen, and transportation workers.

Duran-Ballen arrived in Quito on Friday night, looking tired and limping slightly. In his first remarks to journalists, he seemed upset about reports that the government plane which flew him to the United States was filled to capacity with his relatives. He said that only his wife and two daughters accompanied him to watch over him after the operation. "To me it seems very low for the media to report that a man who has devoted more than 40 years of his life to public service has abused this form of transportation at the state's expense," he said.

The president is reportedly resting at his private home in northern Quito but is receiving some reports from his associates on the country's situation.

It has also been reported that he called for a cabinet meeting next Tuesday to redesign his government's action plan for the rest of his term, which will close in August 1996.

Duran-Ballen reported that Ecuador's $196.1 million foreign debt with Japan has been refinanced and that the IMF has accepted the country's economic program for 1995.

Finally, he said that this will make it necessary to readjust the activities planned for the rest of his term.

Paraguay

Paraguay-Brazil-Argentina Border Called Hizballah Safe Haven

PY2511150294 Asuncion ABC COLOR in Spanish 25 Nov 94 p 79

[All Israeli names as published]

[FBIS Translated Text] The "three borders" [the area comprising Ciudad del Este in Paraguay, Foz do Iguacu in Brazil, and Puerto Iguazu in Argentina] may very well be a "safe haven" for Arab terrorists who intend to attack Jewish and U.S. interests. This is not just a crazy idea. These comments were made on 24 November by high-ranking sources close to the National Police when referring to information passed on by Jerusalem that the "three borders" constitute the operations center for the Arab terrorist group Hizballah.

The National Police made no official statement on the information gathered about this subject. Nevertheless, high-ranking police sources indicated that it is highly probable that the pro-Iranian Lebanese group Hizballah has an arms cache in the "three borders" and that its members are awaiting the right moment to attack Jewish and U.S. interests in this region.

According to the same sources, border areas are, in fact, places where terrorists can carry out their plans with more ease. "It is not easy to find a border area among three countries teeming with Arab citizens," they said.

Information received from Jerusalem quoting Israeli Deputy Defense Minister Mordechai Gur reports that members of the pro-Iranian Lebanese group Hizballah receive military training in the border area linking Argentina, Brazil, and Paraguay.

During a briefing before the Knesset, Gur had said: "We know that there are Hizballah elements in that area receiving military training and collecting funds."

Knesset member Guideon Saguy stated that Israel "must demand from Argentina, Brazil, and Paraguay that they take stringent measures to check the action of terrorists operating in their territory."

Saguy believed that "the Israeli Government must exert pressure on these countries so that Hizballah training camps are dismantled and drug traffickers who provide this organization with funds—as well as arms dealers—are sent to jail."

Professor Ariel Merari, an Israeli specialist in international terrorism, confirmed that "Iranian and pro-Iranian elements are particularly active" in the border area linking Argentina, Brazil, and Paraguay, "especially among Lebanese who have recently settled in South America."

The Paraguayan National Police has already been informed about this and is currently investigating the issue, although it has not yet disclosed any relevant information.

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President Departs for Japan, Mexico

PY2511143294 Asuncion ABC COLOR in Spanish 25 Nov 94 p 3

[FBIS Translated Text] President Juan Carlos Wasmosy departed for Japan last night. His entourage is made up of cabinet ministers and private entrepreneurs. While in Japan, the president will discuss the possibility of broadening cooperation and assistance projects through agreements aimed at furthering the country's development.

Industry Minister Ubaldo Scavone said that on 28 November he will sign a $50 million loan agreement with the Eximbank for the Industrial Development Fund and will negotiate with JICA [Japanese Cooperation Agency] the refurbishing of the National Institute of Technology and Standards (INTN) with a non-reimbursable loan granted by the Japanese Government.

Scavone said he will also meet with Suzuki officials to discuss their plans to install a textile factory in our country.

Public Works Minister Carlos Facetti said his portfolio will include trying to increase the loan granted by OICE [expansion unknown] to pave a stretch of road in the area of Tebicuary-Tebicuarymi-Ybytymi. "We are also studying the possibility of paving the Presidente Franco-Cedrales-Santa Rosa road," the minister said.

Facetti added that he is carrying a request for a $50 million loan to purchase road maintenance equipment for distribution to the municipalities.

The presidential entourage will stay in Japan until 30 November and then will return to the country after a stopover in Mexico to participate in Ernesto Zedillo's inauguration.

Peru

Foreign Minister Meets Portuguese Counterpart

PY2311172394 Madrid EFE in Spanish 1248 GMT 22 Nov 94

[FBIS Translated Text] Lisbon, 22 Nov (EFE)—Peruvian Foreign Minister Efrain Goldenberg commented today in Lisbon that there are many possibilities for economic cooperation with Portugal. He and his Portuguese counterpart Jose Manuel Durao Barroso signed an agreement for the reciprocal promotion and protection of investments. The signing of the agreement is part of a visit to Portugal by Foreign Minister Goldenberg, who is also president of the Council of Ministers of Peru.

Goldenberg expressed satisfaction with the agreement because it encourages "contacts between the two countries." He said Peru has recently undergone "great changes" in both the economic and social aspects, adding that his country "was a victim of terrorism but is now pacified."

Goldenberg emphasized the achievements of the Peruvian economy, which he said is currently "stable." He said Peru has, for the second consecutive year, the highest development level in the continent; after an annual inflation rate of 7,650 percent in 1990. He said he believes the business opportunities offered by his country are outstanding adding that he hopes Portuguese officials and businessmen are now aware of this situation.

Goldenberg said the legal framework offered by the Peruvian Government is attractive because there are no state or private monopolies. He said: "The state does not seek any participation in business activities. On the contrary, the state is privatizing state companies. There is always room for international state cooperation but it is for investors to exploit the conditions offered."

Portuguese Foreign Minister Durao Barroso emphasized that this is the first visit by a Peruvian prime minister to Portugal. He highlighted the "great effort" by Peru in implementing an economic reform that offers "interesting" opportunities for Portuguese businessmen.

Durao Barroso said his government offers incentives for Portuguese businessmen to invest in Peru adding that he is willing to support investments with additional actions.

Goldenberg's agenda for today include meetings with Portuguese President Mario Soares and Prime Minister Anibal Cavaco Silva.

Cooperation Agreement Signed

PY2311195094 Madrid EFE in Spanish 1932 GMT 22 Nov 94

[FBIS Translated Excerpt] Lisbon, 22 Nov (EFE)—Peruvian Foreign Minister Efrain Goldenberg told EFE today that Peru is in condition to "start anew" its relations with Europe as a result of its political situation and its reorganized economy. He said: "In previous visits, efforts were made to give the image of a new Peru but during this trip, which I began in Madrid and which will continue to Copenhagen tomorrow, the idea is only to consolidate relations with the friendly countries of the Eropean Union."

Goldenberg today met Portuguese President Mario Soares and Prime Minister Anibal Cavaco, and signed an agreement on reciprocal promotion and protection of investments, which is like the one he signed in Madrid and to the one to be signed in Copenhagen. He said: "Our economy is one of the most open in Latin America and foreign capital is welcome. We have already privatized 68 state companies and we will continue this process with about 50 more." [passage omitted]

Investigation Shows Drug-Related Corruption in Army

PY2311194294 Madrid EFE in Spanish 1610 GMT 22 Nov 94

[FBIS Translated Text] Lima, 22 Nov (EFE)—Army Captain Gilmar Valdivieso Rojas' statement to Congress

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on drug-related corruption in the Army has revealed the extent to which high-ranking Peruvian officers are compromised.

The Lima newspaper EL COMERCIO published on 22 November a report on the captain's statement to the working group of the congressional oversight committee that is investigating and studying the drug trade.

Capt. Valdivieso reported that drug traffickers and Shining Path leaders had an deal with Army officers who served in 1993 in the Huallaga Valley, San Martin Department, in the northen Peruvian jungle, where 60 percent of the world coca supply comes from. The captain also accused Huallaga Front Commander General Eduardo Bellido of covering up the illegal activities of his subordinates. The captain made his statement on 31 October to three lawmakers and Ana Maria Santiago, Lima ninth provincial district prosecutor.

According to Capt. Valdivieso, the former commander of the Counterinsurgency Battalion, Lieutenant Colonel Miguel Najar, is the main culprit for having accepted thousands of U.S. dollars in exchange for giving the drug traffickers a free hand, to the point of protecting the flights of Colombian drug planes.

Valdivieso also revealed that well-known drug traffickers like "Chatin" and "Wilson" paid approximately $180,000 to be released from prison.

Valdivieso reported this information to his superiors in 1993, but the investigation that followed included him among the accused. He is currently standing trial for insulting a superior officer, contempt of the Justice Ministry, overstepping his authority, and being AWOL, because he has gone into hiding.

In addition to Najar, Valdivieso accused a colonel, two lieutenant colonels, and five captains.

Today's EXPRESO reported: "It should come as no surprise that for many years a corruption scheme allowed members of the Tupac Amaru Revolutionary Movement and the Shining Path and government officials into areas where drugs are taken out of the country to benefit from drug traffickers' money."

EXPRESO suggests that the Army be pulled out of drug enforcement and a specialized, well-paid organization be created for that purpose. According to the paper, this proposal should be considered "because protecting the Army from corruption is a matter of national security."

On 21 November, the weekly SI published a lengthy report on the drug trade in Peru. According to this report, drug traffickers control one-fifth of Peruvian territory and 1.2 million people through the use of money, power, and intimidation. The report states that the drug traffickers have set up eight cartels and have reached an agreement to ensure their own survival and protect the interests of their Colombian masters.

Army Admits Officers' Involvement

PY2411225194 Madrid EFE in Spanish 1621 GMT 23 Nov 94

[FBIS Translated Excerpt] Lima, 23 Nov (EFE)—The Peruvian Army admitted today that a group of officers released two Peruvian drug traffickers in exchange for money but accused the officer who made this case public of being involved in it and of wanting to avoid his responsibility.

Captain Hilmar Valdiviezo said in Congress last week that the high Army command refused to investigate the case and that he has been tried on various charges "in reprisal" for having reported the case.

Valdiviezo accused General Eduardo Bellido, chief of the Huallaga Front, and Lieutenant Miguel Najar of releasing two drug traffickers, identified as "Chatin" and "Wilson," who were arrested by the Army in April 1993.

The Army today confirmed that the incident reported by Valdiviezo took place at the Tocache military base in the Huallaga valley jurisdiction, which is the world's largest producer of cocaine base, and that it has been investigated since 30 October 1993.

The Army communique says that "the investigation established the responsibility, among others, of Valdiviezo" and that the charges "against the involved personnel ... are presented on 28 January before the Permanent War Council of the Fifth Army Judicial Zone.

The communique adds: "The report submitted by Valdiviezo is aimed at distorting the facts being investigated in order to avoid his criminal responsibility." [passage omitted]

Conflicting Reports on Army Commander's Health, Location

PY2311235294 Madrid EFE in Spanish 1950 GMT 23 Nov 94

[FBIS Translated Text] Lima, 23 Nov (EFE)—The "disappearance" of General Nicolas de Bari Hermoza Rios, commander of the Peruvian Army and Armed Forces, has caused uncertainty over his state of health and whereabouts.

The Peruvian press today published contradictory reports on the Army commander's state of health, saying that amidst this confusion: "Gen. Hermoza Rios has been absent for the past few days from several military activities he should have supervised."

This situation emerged on 21 November when a television station reported that Hermoza Rios had been taken urgently to Cuba to be operated on for a long-standing and serious heart problem.

Peruvian President Alberto Fujimori refused to comment on the matter, but "informally" told the press that Hermoza Rios is in good health and that he went to Cuba at the invitation of the Cuban Government.

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The general's brother, congressman Juan Hermoza, denied on 22 November that the military chief had left for Cuba, saying: "He is perfectly well and fulfilling his routine activities."

Hermoza Rios, who has led the Peruvian Armed Forces for four years, is considered the confidant of Peruvian President Alberto Fujimori, who said he will retain him until the end of his presidential term, in July 1995, regardless of opposition criticism. The opposition demands the return of the military regulation which was in effect until 1992, under which military institutions designated their commanders according to their own rules, without government participation.

Fujimori established a new rule, by which the top military commanders are designated by the president of the Republic, who is, under the Constitution, the commander in chief of the Armed Forces.

Analysts believe this new formula encourages the military chiefs to be "confidants" of the president, thus preventing the "historical trend" of Peruvian policy, where civilian governments were the exception and almost always collapsed under coups d'etat.

Uruguay

Electoral Campaigns End; Blanco, Colorado Parties Tied

PY2511152394 Madrid EFE in Spanish 0723 GMT 25 Nov 94

[FBIS Translated Text] Montevideo, 25 Nov (EFE)—The period of reflection in Uruguay began today. More than 100,000 of the 2,330,154 Uruguayans registered to vote in the 27 November general election remain undecided. The vote of the undecided will be crucial to break the tie between the ruling National Party (Blanco) and the Colorado Party, the main opposition group.

According to the latest surveys, the "Blancos" have 28 percent of the votes, the Colorado Party has 27.9 percent, and the leftist coalition Broad Front is three percentage points behind the other two.

All election activities ceased at 0000 today, giving way to the reflection period before the voting.

The campaign was tough and political parties spared no effort in trying to convince undecided voters.

It is expected that 30,000 to 50,000 of the 100,000 Uruguayans living in Buenos Aires will crowd all forms of transportation between the two countries during the weekend to travel to Uruguay to vote for their parties.

The interest of Uruguayan politicians in their votes is reflected in the intense propaganda that crossed the River Plate.

The Uruguayan people are reflecting, but politicians are secluded in their party headquarters organizing the transportation of voters and the distribution of representatives to the 7,188 polling stations.

Some 9,000 security service personnel are working for the Electoral Court. They are in charge of transporting ballot boxes, equipment items, electoral register lists, and the necessary furniture for the installation of balloting tables throughout the country.

Some 1,750 lists of candidates running for municipal and national positions will be posted in balloting stations' secret halls.

The electoral system is very complex and officials have called on citizens to come to vote with their tickets ready to be introduced in the voting envelopes.

Twenty political parties are participating in the election, but three of them will carry 80 percent of all the votes.

Parties that were able to elect representatives to the Congress in the past election are legally empowered to present multiple candidates for each position.

In each envelope voters will have to include several lists—all must be from the same party—to select their national or municipal candidates for different positions.

Uruguayans will also have to vote on two simultaneous plebiscites on proposals for constitutional reform in the areas of social security and the education budget.

Voters will choose among 21 presidential candidates on 27 November. However, only four have hopes of winning.

In the ruling "Blanco" party only lawyers Alberto Volonte and Juan Andres Ramirez, of the three candidates who are competing for the party, have a chance of reaching the presidency if their parties win the election.

In the Colorado Party there are four candidates, but the favorite is former President Julio Maria Sanguinetti, who is preferred by 70 percent of his party members.

If the Broad Front wins—according to surveys, its candidate is on the heels of the other two traditional candidates—the new president will be former Montevideo Mayor Tabare Vazquez.

The expectations will not be resolved until late 27 November or on 28 November.

Colorado Party Leads With 85 Percent of Votes Counted

PY2811140194 Madrid EFE in Spanish 1249 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—The official count shows the Colorado Party maintains its lead. The votes at 6,653 polling stations have been computed (92.2 percent), of the 7,215 authorized polling stations for the 27 November Uruguayan general elections.

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The main opposition party has some 20,000 votes more than the governing National or Blanco Party, and over 32,000 more than the leftist coalition Broad Front.

So far 1,981,728 (85.04 percent) votes have been counted, of the 2,330,150 Uruguayans over 18 years of age who must vote in these elections.

The Official Results: Colorado Party—586,392 votes; National, Blanco Party—566,622 votes; Broad Front—554,206 votes; New Sector—92,218 votes; other parties—12,078 votes; held votes—62,582; and blank votes—16,797.

95 Percent of Votes Counted

PY2811122294 Buenos Aires TELAM in Spanish 1148 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (TELAM-SNI)—With 95 percent of the votes counted, official figures show the Colorado Party this morning beat the ruling National Party by 19,000 votes.

Interior Ministry figures show the Colorado Party has obtained 581,092 votes, the National Party 561,943, and the leftists grouped in the Progressive Encounter obtained 549,501 votes.

Broad Front's Mariano Arana Elected Mayor of Montevideo

PY2811105894 Madrid EFE in Spanish 0350 GMT 28 Nov 94

[FBIS Translated Excerpt] Montevideo, 28 Nov (EFE)—Mariano Arana, 61—an architect who supports ecology and the environment, and who is the leftist coalition Broad Front candidate—has been elected Montevideo mayor in the 27 November general elections.

Arana will be the second leftist mayor [of Montevideo] in the country's history, following socialist Tabare Vazquez, who occupied the post between 1990 and 1994 and who resigned to run for the presidency as a candidate of the Progressive Encounter, a movement that is part of the Broad front. [passage omitted]

Venezuela

Foreign Minister on Issues at Miami Summit

PA2511164794 Madrid EFE in Spanish 0654 GMT 25 Nov 94

[FBIS Translated Text] Caracas, 25 Nov (EFE)—The fight against corruption, energy cooperation, support for integration, and the creation of a social assistance fund will comprise the leading issues Venezuela will present at the Summit of the Americas to be held in Miami.

These proposals have been approved and included in the plan the member-countries of the Rio Group drafted at a meeting held in Brazil at the beginning of August in preparation for the summit. The details of the four Venezuelan proposals are currently being ironed out, but they will be ready by 9 December, when the summit opens.

Venezuelan Foreign Minister Miguel Burelli said the initiative to create a mechanism to prevent corrupt individuals from seeking refuge in the countries of the region has been welcomed. "The fight against corruption is framed within the goal of restoring democracy, which has been pursued in Latin America for the past several years," Burelli stated.

As for increased cooperation in the energy sector, Burelli stressed the significance this has for Venezuela, because its reserves and production capacity enable it to guarantee a substantial part of the energy supplied to the entire hemisphere. Burelli also referred to the need to unify all integration movements now under way in America to ensure that a single hemispheric free trade agreement is achieved.

Burelli also recalled Venezuela is giving special importance to the creation of a social fund to compensate the negative effects neoliberal policies and economic opening have had on large sectors of Latin American society. "The Latin American drama revolves around social problems, class divisions, extreme poverty, educational problems, the lack of health services, and disrespect for human rights and the environment," Burelli noted.

President Rafael Caldera has reiterated his hope that the fight against drug trafficking be more effective and forceful. In recent speeches at international forums, Caldera has requested committed multinational cooperation to stop the expansion of drug trafficking. As a result, it is believed Venezuela will support the proposals to combat drug trafficking in accordance with the measures agreed upon during the preparatory sessions for the summit.

In any case, there is concern among political circles that the broad scope of the issues to be discussed and the large number of participants who will seek their share of the limelight will only allow for final agreements on those issues that have already been discussed, all of which will have minimal effect on the immediate situation of the countries of the hemisphere.

Minister Stresses Development as Key to Border Security

PA2411192094 Caracas Union Radio Network in Spanish 2200 GMT 23 Nov 94

[Report by Cecilia Pachano; from the "Union Radio News" newscast]

[FBIS Translated Text] Special Minister Pompeyo Marquez has said that the agreements signed by the Venezuelan and Colombian defense ministers will help make the border an area of peace. He added that the Venezuelan Government is promoting development of the border

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region, thus introducing an important variable in that the problem is now being viewed as a state issue. Pompeyo Marquez added that if the Colombian Government wants to develop the area, it must fill the gap at its border which has allowed guerrillas and outlaws to take over.

[Begin Marquez recording] Colombians and the Colombian Government are also victims of the situation that has arisen with guerrilla, criminal, and drug trafficking activities. The Colombian Government must understand that this situation is also harming our country, and that cooperation and coordination measures must be implemented to achieve the goal I mentioned before; that is, the development of our border areas. [end recording]

Minister Marquez believes the rapprochement will benefit both countries.

Defense Minister on Military Border Accord With Colombia

PA2811042494 Caracas Union Radio Network in Spanish 2200 GMT 25 Nov 94

[Report by Cecilia Pachano; from the "Union Radio News" newscast]

[FBIS Translated Text] Defense Minister Rafael Angel Montero Revette has announced that the regulations for border operations have been drafted. The procedures, which will be coordinated by the Venezuelan and Colombian Armed Forces, are contained in the new cooperation accord signed by both countries.

The agreement permits the unification of mechanisms to activate the operational maneuver plans that will be coordinated by the two military organizations. According to the defense minister, aspects such as communications systems, exchange of information, intelligence operations, and border patrolling are included. Also included in the agreement, according to Montero Revette, is the exchange of officials in technical professional training programs.

[Begin Montero recording] The plan involves coordination procedures on communications and other necessary coordination to be carried out. The document was signed in the presence of Colombian President Samper, who wants to have peace throughout Colombia and, therefore, along the border region. [end recording]

Minister Montero Revette said the funds requested for next year include what will be used to improve logistical and communications systems at border points. He also indicated that at this moment, a census is being held at the border to determine how much fuel is used, with the purpose of reducing the contraband of fuel to neighboring countries. Gen. Montero Revette stated that President Caldera has not decided yet if there will be a court martial in the case of the information leaked at the Military Intelligence Office of the Defense Ministry.

Inspector General Comments on Accord

PA2711003494 Caracas EL UNIVERSAL in Spanish 25 Nov 94 Section 1 p 13

[Unattributed report]

[FBIS Translated Text] Vice Admiral Jose Rafael Huizi Clavier, Armed Forces inspector general, yesterday emphasized the need for the "immediate implementation" of the agreements reached by the Venezuelan and Colombian defense ministers, General Rafael Montero Revette and Fernando Botero Zea, respectively, to fight the serious security problem along the border. Huizi Clavier noted that these agreements are part of the process the two armed forces had already begun, but the crisis that arose over the frequent actions by guerrillas and drug traffickers served as a catalyst.

He said the important point is to successfully establish an information system between the two armed forces to report the movement of irregular groups in the region.

The member of the top military command noted that the border problems prompted an expansion of binational relations between the countries' armed forces. He also predicted a "greater rapprochement."

Former Intelligence Chief Commands 11th Infantry Brigade

PA2711011394 Caracas EL NACIONAL in Spanish 24 Nov 94 p D-9

[FBIS Translated Text] Maracaibo (VENPRES)—Brigadier General Eduardo Jose Chacin Mata took command of the 11th Infantry Brigade, which is subordinate to the 1st Infantry Division.

Chacin replaces Brig. Gen. German Marin Gomez, who was appointed Army Purchasing Chief in Caracas by the command staff.

Marin Gomez was in command of the brigade for four months. Prior to this, he headed the 1.2 task groups stationed in Catatumbo Municipality, Sur del Lago. Those groups form the Sur del Lago area garrison and are administratively under Cufan [not further identified].

The operational units under the 11th brigade are: the Venezuela battalions stationed in Maracaibo; the Illaramendi Mechanized Infantry Battalion; the Girardot Battalion stationed in Coro, Falcon State; the Jose Escolastico Andrade Support Battalion stationed in La Concepcion, Jesus Enrique Losada Municipality; the antiaircraft defense battery in Fort Mara, Mara Municipality; and the 1101st Command Company of the brigade itself.

Documents Allegedly Link Military Personnel to Kidnappings

PA2711123494 Caracas EL NACIONAL in Spanish 24 Nov 94 p D-11

[Report by Gustavo Azocar]

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[FBIS Translated Text] San Cristobal—According to intelligence reports prepared by the Armed Forces of Cooperation's [FAC] 1st Regional Command, military personnel are actively masterminding and perpetrating the kidnapping of ranchers and businessmen who live and work along the border, particularly in Tachira, Zulia, and Apure States.

Intelligence reports to which EL NACIONAL has gained access describe an investigation initiated in early 1988 into several "intelligence agents" who apparently worked in collusion with rebels and criminals to kidnap businessmen, farmers, and ranchers who own property along the Colombian-Venezuelan border.

One of the reports specifically names Rafael Marcianni, a FAC informant known as Jhonny [spelling as published], who allegedly participated in the organization of a failed attempt to kidnap Spanish businessman Jose Andres Lorenzo Maceira, who has resided in Tachira for many years and who owns the Castillo de la Fantasia Hotel.

The 1st Regional Command's intelligence report states: "Marcianni, a.k.a. Jhonny, who possesses I.D. card V-3.221.28, is a paid informant working for the FAC's Intelligence Directorate under the jurisdiction of the 1st Regional Command."

The informant reported he had penetrated an alleged subversive group that operated along with a four-man gang that plotted to kidnap Maceira. According to Jhonny, the kidnapping was to take place somewhere along the Urena-El Vallado-San Juan de Colon highway. The idea was to lure the kidnappers into carrying out the kidnap plot, ambush them with National Guard [GN] forces, capture the kidnappers, and then interrogate them for information.

Marcianni told the GN that, once Maceira was kidnapped, he, Marcianni, would signal the soldiers to shoot the kidnappers. The informant said, "The kidnappers must be shot dead at once."

The report also said that, in connection with the scheme to carry out the kidnapping, Marcianni talked with Maceira, telling him about the situation, and that he asked him to cooperate by letting himself be kidnapped in the certainty that he would be rescued hours later by the special team in charge of searching for him.

The 1st Regional Command, however, noticed that Marcianni's plan was not only very risky, but also not very convincing.

The military document points out: "Marcianni detailed his plan in an incoherent manner.... He was taking part in plotting Maceira's kidnapping.... No GN personnel showed up on the day of the kidnapping scheme, because the information was too unreliable.... The border checkpoint through which Marcianni said the kidnappers would enter the country was inspected, but no evidence of entry was found.... The place where the kidnappers might possibly had lain in wait was searched, but no clues were found...."

The report further states: "...Captain Ivan Trujillo Contreras, commander of the 11th Detachment's 1st Company, reported irregularities committed by Marcianni when he headed Diex [Directorate of Identification and Alien Affairs] in San Antonio, Tachira.... A review of the facts leads us to believe that the informant tried to involve a military unit in a serious kidnapping incident along the border."

Guyana

U.S. Gives Vehicles, Equipment as Part of Military Aid Grant

FL2511162694 Bridgetown CANA in English 1544 GMT 25 Nov 94

[FBIS Transcribed Excerpt] Georgetown, Guyana, Nov 25, CANA - The United States government Thursday gave the Guyana military US40,000 in vehicles and equipment as part of grant aid totalling some US180,000.

US Ambassador to Guyana George Fleming Jones handed over 15 jeeps and trailers, and spare parts, left overs from the Vietnam war, to Guyana Defence Force (GDF) head Brigadier Joe Singh at army headquarters in the capital Georgetown. [passage omitted]

Army spokesman Major Bruce Lovell told CANA Thursday the vehicles will be used in operations in the interior of the country and in projects countrywide where it works with civilians in community-based deveopment programmes. He announced that negotiations were already underway with US authorities to access the remainder of the aid programme.

A source told CANA that "it is very likely" the jeeps will also be used in joint police/army operations to combat crime. Government proposes to use the army to support the police in its campaign against the rapidly escalating crime situation here.

Jones told reporters that at the request of junior minister of agriculture Clinton Collymore, four jeeps will be lent to the ministry for agricultural extension work.

Border Demarcation Accord With Brazil Signed

FL2511180194 Bridgetown CANA in English 1615 GMT 25 Nov 94

[FBIS Transcribed Text] Georgetown, Guyana, Nov 25, CANA - Guyanese and Brazilian diplomats have agreed to install new markers along the border between the two countries under a new demarcation process.

The diplomats on the Guyana/Brazil Joint Commission on Border Demarcation signed an agreement at the Guyana Foreign Ministry late Thursday to identify and

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install at least 30 markers on the 1600 kilometres border separating the two countries.

Brazilian delegation leader, head of the border division in the Ministry of External Affairs, Joaquim Palmeiro told reporters no time limit has been set for completing the task. "There is no timeframe for the completion of the whole border. We have 1600 kilometres to do and it might take many years. But what we have in mind for next year is to work on 30 markers. The first task is to look at the markers set down over 50 years ago to see they are in good condition...," Palmeiro said.

In 1939, 134 markers were fixed on the border between Guyana and Brazil.

"The last time we met was in 1939 and we had then marked our borders and since then we have not had the opportunity to meet again. Now we have renewed those meetings in order to work together on the demarcation of our borders", stated Palmeiro.

The Brazilian diplomat told reporters that the two governments are to work out the cost of the demarcation exercise, adding that each country's contribution will depend on its financial resources. He said the Brazilian Air Force may be able to provide transportation facilities for personnel involved in the process, but each country will be expected to provide logistical support.

Asked about the significance of the agreement, Palmeiro said since the border commission had not met since 1939, it opened up opportunities for technical cooperation as the exercise would involve the use of advanced technology.

"Our two countries would also send a message that we are cooperating in looking at the problems of illegal cross-border activities....", said the Brazilian official.

The Guyana delegation to the demarcation talks was led by director-general in the ministry of foreign affairs and former ambassador to Venezuela, Cheryl Miles.

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